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Japan Opposes Debt Forgiveness, UK Urges More

OW1310124991 Tokyo KYODO in English 1241 GMT 13 Oct 91

[By Masanori Kikuta]

[Text] Bangkok, Oct. 13 KYODO—Japan cautioned Sunday against easy cancellation of official debt while Britain called for increased debt forgiveness for the poorest nations.

The United States, meanwhile, urged debtor nations to sustain reform efforts with the concerted support of creditor countries to help restore their creditworthiness.

"Japan will consider lending support actively to countries that are undertaking sincere reform efforts and are able to reach appropriate debt restructuring agreements with private banks," Japanese Finance Minister Ryutaro Hashimoto told a meeting of world financial leaders.

But "we must emphasize that should Japan have to forgive some of the debt of other nations, we would find it extremely difficult to provide these nations with any new public funding under our current fiscal system," Hashimoto said.

"Easy debt reduction would weaken the incentive toward self-help of other debtor countries, especially those that are not asking for debt restructuring but are continuing to faithfully repay their loans despite the difficult circumstances they find themselves in," he added.

British Chancellor of the Exchequer Norman Lamont told the same meeting of the policy-making interim committee of the International Monetary Fund (IMF) that more debt write-offs are "a matter of urgency."

Lamont urged progress on debt relief based on the so-called Trinidad Terms which call for the write-off of two-thirds of the official debt of low-income developing countries.

"There is now a clear consensus in the international community in support of this initiative and progress is now a matter of urgency," he added.

U.S. Treasury Secretary Nicholas Brady said his country forgave more than 2.3 billion dollars in official debts owed by least-developed countries in fiscal 1991.

"We remain committed to continued strong support for these countries," Brady told the committee.

"The path to restored creditworthiness requires both sustained reform efforts by debtor nations and concerted creditor support," he said. "Neither can accomplish the task alone."

Brady said debt reductions in Mexico and some other countries have been "dramatic," calling the progress a "quiet revolution." The debt crisis in the 1980s "is now clearly behind them," he added.

Japan Stresses 'Adequate' Aid for USSR

OW1510114191 Tokyo KYODO in English 1104 GMT 15 Oct 91

[Text] Bangkok, Oct. 15 KYODO—Bank of Japan Governor Yasushi Mieno said Tuesday "adequate" aid to the Soviet Union is important to prevent regression in the moves toward a market economy.

"It is necessary to provide adequate emergency assistance to prevent a turnaround in such moves in the country," he said in a speech before leading bankers and finance officials from around the world.

Japan has pledged a total of 2.5 billion dollars in credit and trade insurance to help the Soviet Union surmount the current crisis.

Mieno emphasized it is essential for international institutions like the International Monetary Fund (IMF) and the World Bank to cooperate in technical assistance to draw up economic reform programs.

Speaking at a joint annual meeting of the IMF and the World Bank, Mieno also said larger investment in the private sector is the key to development of poor and former communist countries.

Nurturing the private sector, the core of an effective and competitive market economy, is a prerequisite for boosting the feeble economies, he said.

For that purpose, direct investments, which he said entail a transfer of technology and know-how from the West to the Third World without increasing debts, should be augmented.

He cited the experiences of the Asian region, which he described as the "World Growth Center," in the past 10 years as a good testimony of the importance of the private sector in development strategy.

Mieno said the Asian experience shows that building [word indistinct] mechanism, complemented by governmental assistance, is the shortest way to prosperity in poor countries.

He called on international lending institutions to play a significant role in line with these efforts.

Mieno urged a rapid realization of a proposed capital increase of the International Finance Corporation, the World Bank's arm for private-sector investments.

Japan's central bank chief also said a stable relationship of the world's three major hard currencies—the U.S. dollar, Japanese yen, and German mark—is important for steady growth of the world economy.

Mieno called for more global savings and reduction in military and other unproductive spending, while showing cautiousness toward official credit relief, such as forgiveness of debt.

Knowledge of Debt Plan Denied

OW1510071991 Tokyo KYODO in English 0647 GMT 15 Oct 91

[Text] Bangkok, Oct. 15 KYODO—Bank of Japan Governor Yasushi Mieno said Tuesday he knew nothing about a reported Group of Seven (G-7) debt relief scheme under the Bank for International Settlements (BIS) to prevent a Soviet default.

The FINANCIAL TIMES, a London economic daily, reported in its Tuesday edition that the G-7 leading industrial countries have agreed to bail out the Soviet Union if it comes close to defaulting on its foreign debts.

Details of the financial support have not been decided yet but a package might include a loan from the BIS, backed by Soviet gold, and a temporary deferral of repayments on Soviet loans coming due, the paper said, quoting senior western financial policymakers.

The FRANKFURTER ALLGEMEINE, a German daily, reported Tuesday the BIS is likely to lend 10 billion dollars to the Soviet Union as short-term financial assistance.

Mieno, here to attend an annual meeting of the International Monetary Fund and the World Bank, said when asked about the reports, "I've heard nothing about it. I don't think it is possible."

Yuichi Ezawa, director general of the Japanese Finance Ministry's International Finance Bureau, said, "we have not got any information about such moves."

"The idea of lending money to the Soviets with gold as collateral is possible but the amount seems to be too large," Ezawa said.

The possibility of a Soviet default on its 70 billion dollar foreign debt overshadowed the meeting between the G-7 countries and Soviet officials Saturday and Sunday.

The G-7 communique on Soviet aid issue released Sunday failed to mention any concrete plan for debt relief.

But the G-7 finance ministers decided to send their deputies to Moscow by the end of October to continue discussions.

SRV Minister Stresses Better Ties With IMF

BK1510031591 Bangkok THE NATION in English 15 Oct 91 p A2

[Text] Vietnamese Foreign Minister Nguyen Manh Cam has warned that the failure of the International Monetary Fund (IMF) to improve its relations with Vietnam would harm the image of the lending institution.

Cam's comment came as a group of countries led by France is trying to help Vietnam to get IMF loans again by putting together a bridging loan of around US$150 million for the country.

"We highly appreciate the efforts made by some countries to form a group to help Vietnam solve its debt issue," Cam said in reply to questions submitted by THE NATION.

The minister, who replaced Nguyen Co Thach, said there have been good relations between Vietnam and the IMF. But for the past several years Vietnam-IMF relations deteriorated as the United States successfully blocked any attempt to release fresh loans to the country, which has suffered from Washington's trade and economic embargo sincd 1975. US President George Bush recently extended the embargo for another year.

IMF, Cam said, commended the ongoing economic reform in Vietnam as well as the efforts made by Vietnam in the settlement of its debt to the IMF. World Bank and IMF officials attending the conference here have praised Vietnam's economic reform programmes since 1986.

The head of Vietnam's delegation to the meeting, Governor of the State Bank of Vietnam Cao Si Kiem, has not commented on the French effort on behalf of his country.

French Minister on Progress in Aid for SRV

BK1710033191 Bangkok BANGKOK POST in English 17 Oct 91 p 3

[Text] France declared yesterday that it has made progress towards a future agreement for resource pooling to aid Vietnam after an informal session among donor countries of the International Monetary Fund.

A number of donors, including Japan, are prepared to take part in the French-led support group to pull cash-strapped Vietnam out of the debt quagmire.

But the momentum to create such a group with resources of up to US$200 million in bridging loans to enable Vietnam to implement economic reforms by the end of this year remain stalled owing to U.S. opposition.

Despite the slow progress and U.S. influence in blocking Vietnam's access to multilateral lending, France is determined to carry on with the move and will call the next meeting among donors "at a ripe, appropriate time."

The informal meeting among 15 donor countries on Vietnam was convened yesterday afternoon by French Deputy Minister for the Treasury Jean-Claude Trichet, who also chaired the first such meeting in Washington in April.

A larger turnout and a larger number of countries on the list expressing willingness to join the support group than the Washington round gave a reason for satisfaction, Mr Trichet said.

The meeting yesterday was attended by representatives of Australia, Belgium, Canada, Denmark, Finland, Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Sweden, Switzerland, Britain and the U.S.

U.S. Ambassador to Thailand David Lambertson emerged from the meeting reaffirming the U.S. position.

"Our policy has been stated very clearly: that the trade embargo remains in effect," the ambassador told reporters, referring to the recent announcement by President George Bush in which he extended the embargo for another year.

The lukewarm responses from donors who stopped short of making a commitment apparently fell short of the French expectations for a better scenario commensurate with the pace of the Cambodian settlement.

Vietnamese officials did not attend the session. Instead participants listened to the reports on Vietnam's situation from officials of the World Bank/IMF and the Asian Development Bank.

French officials, who described the meeting as an exchange of views, would not elaborate on the position of each country participating in the talks.

However, one senior French official told the BANGKOK POST that "we have more financial contributions than last time".

France announced it would contribute up to U.S.$50 million to the pool of resources for clearing the arrears as well as other financing measures.

Australia announced last week that it will allocate A$5 million for the Vietnamese support programme in the next fiscal year.

Japan, according to the official, was forthcoming although it did not commit itself.

"Japan welcomed the progress and hoped this effort could be accomplished in due time," the official said.

The only clear consensus from yesterday's meeting is this support group, given the magnitude of the money involved, should have the broadest possible participation.

France is understood to be rallying for a contribution of between $150 million and $200 million for the package of bridging loans and other finance measures to help sustain the pace of economic reform in Vietnam.

"A significant number of countries said they would support the group and they wish this pact to be comprehensive with as many countries involved as possible for best implementation," Mr. Trichet said.

Far from being disappointed with the outcome, Mr. Trichet declared: "Personally I can say this meeting illustrated the fact that we are progressing, making steps in the direction of a consensus to establish a support group."

He explained that the French move is not an exceptional operation but part of an overall, global strategy of the IMF to help countries in arrears, and France assumed the leadership in this effort with the agreement of Vietnam.

"We are here just to help. From both macro- and micro-economic point of view, Vietnam is embarking in the direction that is suggested by the two Bretton Woods institution," he said.

Son Sann Seeks Economy 'Compatible' With West

BK1210041991 Bangkok BANGKOK POST in English 12 Oct 91 p 4

[Text] The leader of the non-communist Khmer People's National Liberation Front (KPNLF), Son Sann, who will lead the Cambodian delegation in talks with top world bankers next week, yesterday affirmed that he wants his country to have an economic system "compatible" with that of the West.

Speaking to reporters after registering for the World Bank-International Monetary Fund annual meeting, Mr Son Sann said he sought much advice to make his country's economy compatible with that of any world economic system.

But the Paris-trained economist said he would not request advice until free and fair elections have been held in his country.

Mr Son Sann, who founded Cambodia's central bank and was its governor from 1953-1968, visited the World Bank headquarters in Washington on October 1, after attending the United Nations General Assembly in New York.

A senior aide said he met a senior official of the World Bank's Asian department during the visit.

Mr Son Sann, president of the non-communist Khmer People's National Liberation Front (KPNLF), will lead a six-member delegation of Cambodia's newly formed Supreme National Council to the World Bank/IMF meeting.

It will be the first appearance of a Cambodian delegation at such meetings since the Khmer Rouge seized power in 1975 and effectively took the country out of the international financial circuit.

Phnom Penh's three delegates—Finance Minister Chhay Thann, Vice Planning Minister Seuy Sem and Deputy Governor of the State Bank Tha Yao—are due to arrive today.

The Khmer Rouge will be represented by Sea Kim Lomut, a former officer of Cambodia's Central Bank. FUNCINPEC's [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] delegate is Prince Norodom Sirivudh.

Meanwhile, a group of Cambodians looking forward to their country's reconstruction yesterday had what they called a "useful" session with a senior official of the National Economic and Social Development Board (NESDB).

Fourteen economic students and teachers from an educational institution set up by the KPNLF at Site 2 were briefed on Thailand's development experience by Thammarak Kanphisit, Deputy Secretary- General of the NESDB.

Dr Lao Mong Hay, Director of the Institute of Public Administration (IPA), described as "most useful" Mr Thammarak's explanation of development techniques and emphasis on the need for planners to begin by identifying available resources.

He also expressed his appreciation for Mr Thammarak's caution against environamental deterioration and noted as "most important" his call to preserve the family system from suffering the price of economic success.

The Cambodians met Mr Thammarak after attending the World Bank seminar on the 1991 World Development Report.

Dr Lao said he agreed "up to a point" with one of the panellists' ideas on spiritual development.

Mr Phaibun Watthanaseritham, president of the Foundation for Thailand Rural Reconstruction Movement, suggested that the World Bank set up a "Spiritual Development Institute."

The Cambodian academic said he also supported Mr Phaibun's call for environmental protection but maintained that economic use of natural resources was necessary for a country like Cambodia.

Logging companies for instance should be allowed to cut down trees on the condition that they undertake reforestation programmes, he said.

If possible, they should be required to replace the trees they cut down with a better species and also to be taxed for their activities, he added.

Dr Lao said there was an enormous need for Cambodians to be trained in a range of tasks necessary for national reconstruction, including administrative work, agriculture and other vocational occupations.

He suggested that Thailand would be a logical venue for the training, given the geographical proximity, similarities in conditions and culture.

—Meanwhile, the Cambodian government yesterday sought Thailand's cooperation to promote Angkor Wat and Phnom Penh as attractions for participants of the World Bank/IMF annual meeting.

Prime Minister's Office Minister Michai Wirawaithaya yesterday was called on by Phnom Penh Prime Minister's Office Minister Cham Prasit.

Mr Michai said his Cambodian counterpart has asked for cooperation by the Thai Government in informing meeting participants of Cambodia's offer for tours at Angkor Wat and its capital.

The minister said he agreed to help the Cambodians but the delegates may have little time left for such excursions.

By opening their country to the delegates, the Cambodians hope to improve the image of the war-torn country, which has been in serious need for loans for rehabilitation.

Cambodian Minister Seeks World Bank/IMF Loans

BK1610022991 Bangkok THE NATION in English 16 Oct 91 p A 1

[Text] Cambodia will need at least $900 million to finance its reconstruction and loans from the World Bank and the International Monetary Fund may start flowing into the country soon if the rival factions can set up a mechanism to work with the two institutions, a Cambodian oficial said yesterday.

Chhay Than, finance minister of the government in Phnom Penh, told THE NATION yesterday that the estimated reconstruction cost was based on statistics provided by various ministries.

Than said Cambodia would need the financial support to restore electricity and road networks, and to build dams and irrigation systems as well as schools and social institutions.

It was the first time that a senior Cambodian official has disclosed figures on the cost of rebuilding the country, whose economy was ruined first by the Khmer Rouge when they took power in 1975 and later by 12 years of war following Vietnam's invasion of its neighbour in 1979.

Than is here as a member of the delegation representing Cambodia's Supreme National Council (SNC) at the World Bank/IMF meeting, during which the Cambodians hope to familiarize themselves with officials of the institutions.

Before leaving Phnom Penh, Than said he met with experts from the Asian Development Bank to discuss the financial needs of his country.

Meanwhile, an adviser to the Cambodian delegation quoted World Bank/IMF officials as saying that Cambodia may get financial support sooner if the SNC, which represents the four warring factions, appoints a representative that the two lending agencies "can work with effectively" in formulating short- and long-term reconstruction plans.

Unlike Vietnam, Cambodia is eligible for new loans even though it is almost $40 million in arrears, including $14 million in accumulated interest, owed to the IMF since 1975, said Kim Yi, a special envoy representing the Khmer People's National Liberation Front.

But he said financial assistance to Cambodia would be possible only after a peace agreement is signed by the warring factions. The signing of the peace agreement is scheduled for Oct 23 in Paris.

"The bank and the fund are waiting for the signatories from the four Cambodian factions to appoint someone that they could work with effectively," said Kim Yi, who held several posts in the Cambodian government through 1972, including director general of the National Bank of Cambodia. He is also a former alternate executive director of the World Bank.

Kim Yi, who owns a commercial consulting company in Paris, said he did not think the SNC should be the sole authority on financial aid matters for Cambodia given its mode of rule by consensus, which might pre-empt quick decisions.

"The SNC is capable of dealing with political problems, but no economic issues," the adviser said of the body which will rule Cambodia in the interim period pending a general election.

He said the choice of representative would depend on the SNC members but the final deal rested on an agreement between Prince Norodom Sihanouk, the SNC president, and Son Sann.

PRC Delegate Addresses World Bank Meeting

BK1610012591 Bangkok BANGKOK POST in English 16 Oct 91 p 3

[Text] China, reaffirming its reform policy, has called on the World Bank to continue giving priority to supporting low-income developing countries which face greater difficulties getting external help following changes in Eastern Europe and the Soviet Union.

State Councillor and Governor of the People's Bank of China Li Guixian also warned in his speech to the Joint World Bank-IMF discussion yesterday that "global peace and development will be endangered" if the widening gap between rich and poor remains unbridged.

"It is widely recognised by the international community that, without the arrest of the continually widening gap between the North and the South, in which the poor become poorer and the rich richer, the world community will encounter more and more difficulties in maintaining long-term, steady growth," he said.

In 1991, the Chinese economy has continued to maintain appropriate growth, reflecting mainly an improvement in the industrial sector as well as a continued rise in agricultural production despite the severe floods, he told the forum.

"Moreover, there has been an improvement in the balance of payments position. Use of foreign capital continues to increase, while the external debt has been kept within the capacity to repay," Mr Li said.

The governor predicted that China's price index for the year as a whole "will continue to remain low" despite the increase in retail prices of grain and edible oil.

China, he said, will press ahead with its stabilisation policy in view of the difficulties facing the country such as the low efficiency of enterprises, unresolved stockpiling of unsold products, the large magnitude of the inter-enterprise debt, a weaker fiscal position and the potential rekindling of inflation.

"In short, the resolution of those economic problems depends on a further deepening of reform."

China will carry out efforts to adjust retail prices of grain and edible oil towards the market level; eliminate subsidies on foreign trade corporations; boost the growth of large- and medium-size enterprises through further technology while scaling back control, he said.

It will further open the financial sectors to foreign competitors as well as develop financial markets.

Mr Li made it clear that China will pursue the reforms of its own choosing.

"Based on history and experience of individual countries, the people and governments with their specific situations, we firmly believe that as long as China persists in reform and opening, the living standard of the population will continue to improve and the nation will become more prosperous," he said.

Thai Government Appeals for More Indochina Aid

BK1610112091 Bangkok Radio Thailand Network in Thai 0000 GMT 16 Oct 91

[Text] Foreign Minister Asa Sarasin said that Thailand took upon itself the task of pressing for more international aid and assistance to Laos, Cambodia, and Vietnam. Speaking to reporters at the Queen Sirikit National Convention Center at the opening of the World Bank/IMF meeting yesterday, the minister confirmed that the governor of the Bank of Thailand had been conducting talks with bankers at one level on measures to help shore up the economy of the Indochinese states. The prime minister, he said, had also taken the opportunity of addressing this large and high-level gathering of the financial and monetary world to stress the need for the international community to lend help to the poor, the underprivileged, and the downtrodden among them. The opening address of Prime Minister Anan Panyarachun went down well at the gathering.

Thai Bank Governor Bullish on ASEAN's Future

BK1510053991 Bangkok THE NATION in English 15 Oct 91 p 2

[Report from the special "World Bank/IMF News" supplement]

[Text] The Thai central bank governor expressed strong confidence in the economies of the six ASEAN countries yesterday, contending that the strong monetary and deregulation policies adopted by the group would contribute to continued impressive economic growth.

Despite rising inflationary pressure and sharp increases in the current account deficits as seen in Thailand Bank of Thailand Governor Wichit Supinit said the adoption of cautious financial policies would sustain the strong growth rates of the region.

The governor expressed optimism about ASEAN's economic performance at an seminar on "The World Economic Outlook and Market Economies" held at the Siam Intercontinental Hotel. The seminar was organized by an independent economic policy research group, the Group of 30, as part of the World Bank/IMF annual meeting in Bangkok.

Wichit noted that Thailand and its fellow ASEAN countries had placed a high priority on liberalizing their financial sectors to accommodate foreign trade and investment.

Of ASEAN countries, Thailand, Malaysia and Indonesia in particular were committed to carrying out comprehensive economic liberalization, particularly in the industry, trade, energy and financial sectors. "Financial liberalization is now an important part of policy in ASEAN economies," the governor said.

He added that efforts have been made toward deregulation of interest rates, increasing flows of international capital, deregulation of banking and non-bank financial institutions, in the hopes of enhancing the efficiency and flexibility of the financial market.

Financial deregualtion and flexible interest and exchange rates have become increasingly important factors in expanding trade. ASEAN, as a group, planned to launch a single currency for trade in the region, but the long-standing plan is unlikely to materialize in the near future despite progress in other areas of economic cooperation such as trade.

ASEAN in general has been commended by both the World Bank and the IMF for unilaterally undertaking reforms in various economic sectors enabling greater flows of goods and services among the group and those from outside.

Wichit noted that there were relatively few barriers to foreign investment in ASEAN financial markets. Singapore, which is currently regarded as the regional banking centre, is the most advanced when it comes to deregulation in the financial sector.

Nevertheless, the governor said Thailand, Malaysia, the Philippines and Indonesia were moving towards cutting their restrictions to market access for foreign financial institutions and services. The Thai government has embarked on an ambitious plan of developing Bangkok into a regional financial hub to facilitate ASEAN and Indochina trade.

Besides liberalization on the financial front, Wichit said the Thai proposal to create a regional free trade zone would result in an environment where trade and investment will flow more freely.

With the peace settlement in Cambodia almost reality and the opening of the Indochinese economies in the cards, "the rapid pace of economic and financial market growth is likely to retain its momentum," Wichit said, adding that "ASEAN should remain one of the fastest-growing and fastest-changing economic regions in the world."

South Korea Supports DPRK Joining IMF

SK1610072191 Seoul YONHAP in English 0429 GMT 16 Oct 91

[Text] Bangkok, Oct. 16 (YONHAP)—South Korean Finance Minister Yi Yong-man said Wednesday his government supported North Korea's joining the International Monetary Fund and World Bank (IBRD) and was ready to offer it assistance in preparing for membership.

South Korea also welcomed the entry of the Soviet Union and three Baltic states into the two financial institutions, said Yi in Bangkok to attend the 46th annual meeting of the IMF and IBRD. He was delivering a key-note speech at the Queen Sirikit Convention Center.

Reporting on the South Korean economy, Yi said Korea would register comparatively high growth this year although the international balance of payments deficit was widening due to rapid expansion of domestic demand propelled by consumption and investment in the construction sector.

The Korean Government was undaunted by the current economic difficulties and would go ahead with its plan to further open the economy by liberalizing interest rates and by introducing more freedom in banking, foreign exchange transactions and trade, Yi said.

Korea's economic internationalization was progressing speedily and foreigners would be allowed to invest directly in the Korean stock market from next year, he said.

As Korea would graduate from IBRD loans by the mid-1990s, he said, it would make utmost efforts to play a role commensurate with its economic power and development experiences in the international community.

Touching on the emergence of economic blocs, the minister said advanced nations should ease protectionism by abolishing various non-tariff barriers and should realize fair trade that considers not only the economic capability but also the culture and customs of developing countries.

World Bank, IMF Conclude Bangkok Meetings

BK1710092891 Hong Kong AFP in English 0845 GMT 17 Oct 91

[Text] Bangkok, Oct 17 (AFP)—The International Monetary Fund (IMF) and the World Bank ended their annual meetings here Thursday.

The meetings, which lasted more than a week, were dominated by discussions on the situation in the Soviet Union. Other major topics were the crisis in world reserves and the necessity of finding ways to meet the new financial needs of Eastern Europe and the Soviet Union—notably through cuts in both military spending and agricultural subsidies.

In his closing speech, World Bank President Lewis Preston said he was delighted by the consensus reached here on the need to pursue policies of economic adjustment throughout the world.

Preston said he was "impressed" by this consensus and praised the week's discussions for having been marked by "pragmatism, rather than sterile ideological dispute."

End to Indonesia's IMF Leadership Reign Sought

BK1410051791 Bangkok THE NATION in English 14 Oct 91 pp A1, A2

[Text] Thailand and Malaysia are vigorously lobbying to bring about an end to a 20-year monopoly on the regional IMF executive directorship by Indonesia, which controls the IMF post on behalf of the 10-nation Southeast Asian [SEA] Group.

Yet Thailand and Malaysia will need the crucial voting support of Vietnam to break the Indonesian monopoly, as Singapore appears to be ready to give full support if more allies can be found.

The Southeast Asian Group consists of Indonesia, Thailand, Malaysia, Singapore, Vietnam, Fiji, Laos, Burma, Nepal and Tonga.

Together they have a combined voting strength of 2.85 per cent in the IMF, of which Indonesia accounts for 1.09 per cent, Thailand for 0.43 per cent, Malaysia for 0.61 per cent, Singapore for 0.12 per cent and Vietnam for 0.21 per cent.

The IMF is run by 22-member executive board, which bases its policy decisions on voting rights.

Thailand and Malaysia share the same feeling that it is time that the IMF executive directorship for the region be rotated to countries' representatives, probably once every two years.

In the SEA Group meeting on Saturday, Thailand and Malaysia tried to lobby for the change, but the move was thwarted by Indonesia, which also argued for the appointment of an Indonesian alternate director in the IMF.

Now the IMF alternate directorship belongs to Thailand and Malaysia, each rotating the post once every two years.

In the World Bank, Thailand, Malaysia and Indonesia rotate among each other in sending an executive director to serve the institution for a two-year term.

Vietnam has yet to show its clear stance, waiting to see whether the SEA Group is really serious in supporting it to win additional financial support from the IMF.

Vietnam is some U.S.$110 million in arrears to the IMF, and the failure to establish diplomatic relation with the U.S., the largest quota holder in the IMF, has made it impossible to get additional support from the IMF.

Malaysia Criticizes Media for Policy Positions

BK1410103691 Kuala Lumpur Voice of Malaysia in English 0600 GMT 14 Oct 91

[Text] Deputy Prime Minister Mr. Ghafar Baba has criticized certain section of the media with policy to gain wider readership by adopting an antiestablishment stand. They are so engrossed in making money that they become oblivious to national and international needs. This section of the media was suffering from [words indistinct].

Mr. Ghafar Baba said this when he opened the 28th Asia-Pacific Broadcasting Union general assembly in Kuala Lumpur today. He added that the foreign media was also suffering under a misconception about Malaysia's forest policy. He said they could live with so-called over exploitation of forest resources, but they did not take into account the fact that Malaysia has one of the best forest conservation programs in the world. Forests were cleared for specific reasons—settlement, agriculture, as well as (?industrialization). If the industrialized countries felt so strongly, then they should compensate for the nation, instead. [sentence as heard]

Japan

Government Pledges Greater UN Peacekeeping Role

OW1710042191 Tokyo KYODO in English 0312 GMT 17 Oct 91

[Text] Tokyo, Oct. 17 KYODO—Japan pledged to play a greater role in international peacekeeping Thursday following its election to a rotating seat on the United Nations Security Council.

Prime Minister Toshiki Kaifu said that the near-unanimous support for Japan indicates "the tremendous expectations" from the international community.

"We must respond to this," he said.

Japan was elected by secret ballot to one of five nonpermanent seats on the Security Council on Wednesday with support from 158 out of 161 countries.

Chief Cabinet Secretary Misoji Sakamoto in a prepared statement said that Japan's election for a seventh two-year term on the council is a heavy responsibility, and on the Japanese people to support and cooperate with the government in fulfilling the duty.

He said the international expectations encompass hopes that Japan will contribute military personnel to U.N. peacekeeping operations.

The House of Representatives decided earlier this month to postpone until the next session of the Diet, or parliament, a decision on bills that would have enabled Japanese military personnel to be sent to join in U.N. peacekeeping operations.

The bills are expected to win approval during an extraordinary Diet session slated to open next month.

The U.N. Security Council consists of five permanent members—Britain, China, France, the Soviet Union, and the United States—in addition to the five nonpermanent members. The permanent members have veto power on proposals before the council.

Former Farm Minister Reiterates Rice Import Ban

OW1610163291 Tokyo KYODO in English 1504 GMT 16 Oct 91

[Text] Geneva, Oct. 16 KYODO—Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), on Wednesday reiterated to a Japanese delegation that the farm trade issue should be negotiated on the basis of replacing all trade barriers with tariffs "without exception" of rice.

The comment was made at a meeting with a delegation of Japan's ruling Liberal Democratic Party (LDP), led by former Farm Minister Tsutomu Hata.

Hata reiterated the Japanese stance of maintaining its current virtual ban on rice imports, arguing that it is vital to Japan as the world's largest food importer to secure domestic production of staple food such as rice.

Japan cannot agree to the idea of tariffication on the farm trade issue under the stalled Uruguay Round of trade talks, he said.

Dunkel replied, however, that if tariffication without exceptions is impossible, discussions on such issues as reducing export subsidies lose their meaning.

After visiting the United States, the Japanese delegation arrived in Geneva to explain Japan's stance.

EC Agrees on High-Speed Digital Phone Testing

OW1610022991 Tokyo KYODO in English 2359 GMT 15 Oct 91

[Text] Brussels, Oct. 15 KYODO—Japan and the European Community wrapped up two days of regular telecommunications talks Tuesday with an agreement on conducting joint tests of high-speed digital telecommunications networks, Japanese officials said.

Under the agreement, Tokyo and Brussels will carry out such testing by connecting each other's high-speed digital telecommunications networks—known as integrated service digital networks [ISDN]—to determine whether the two systems are compatible, the officials said.

The tests will be implemented initially on ISDN phone and facsimile services and testing will be broadened to include other services in the future, they said.

ISDN facsimile services offered by Japan and the EC are broadly compatible as most of the high-speed facsimile machines used in the EC are Japan-made G-4 models, but it is unknown whether ISDN phone services in the two regions can be connected for common use.

In another area of agreement between the two sides, Japan and the EC shared the view that they must cooperate closely in hammering out proposed new rules on global telecommunications during the discussions being held prior to global trade negotiations under the General Agreement on Tariffs and Trade, the officials added.

Telecommunications is one of the 15 sectors of global commerce and trade covered by the Uruguay Round of GATT negotiations.

Miyazawa Emphasizes Aid for Soviet Far East

OW1610121891 Tokyo KYODO in English 1200 GMT 16 Oct 91

[Text] Tokyo, Oct. 16 KYODO—Japan's main prime ministerial candidate, Kiichi Miyazawa, said Monday that Japan should place more emphasis on the Soviet Far East in extending emergency aid to the Soviet Union.

Miyazawa, head of the Liberal Democratic Party's [LDP] No. 3 faction and the most strongly backed of the three party presidential candidates, said Tokyo should pay more attention to people in the Far East region, which includes the four Soviet-held islands claimed by Japan.

Supported by the LDP's No. 1 faction led by Shin Kanemaru, Miyazawa is almost assured of replacing Toshiki Kaifu as LDP president and prime minister next month.

Miyazawa said Japan's emergency aid should help meet the needs of the people in the Soviet Far East. It would create a better atmosphere to win the return of Shikotan, Etorofu, Kunashiri and the Habomais, he said.

The 72-year-old veteran conservative politician was speaking at a press conference in Takamatsu, western Japan, during his election campaign.

Miyazawa said it is important for the Japanese Government to reassure Soviet residents of the four islands about their future in the event of the islands reverting to Japan.

He said, "if permitted to say so diplomatically, I will tell the Soviet islanders their future is bright and they should not be worried."

Commenting on Foreign Minister Taro Nakayama's talks with Soviet President Mikhail Gorbachev on Tuesday, Miyazawa said Japan and the Soviet Union went one step further toward a settlement on the territorial issue over the four Soviet-held islands.

In Moscow, Gorbachev told Nakayama that the Soviet Union is taking into consideration the 1956 Japan-Soviet joint declaration, in which the Kremlin promised to return two of the four islands, Shikotan and the Habomais.

Gorbachev did not give any particular assessment of the declaration when he visited Japan last April, Miyazawa said.

Miyazawa visited former Prime Minister Masayoshi Ohira's grave near Takamatsu earlier in the day. Miyazawa currently heads the LDP's Kochi-Kai faction once led by Ohira.

Along with Miyazawa, No. 2 and No. 4 faction leaders Hiroshi Mitsuzuka and Michio Watanabe are running in the October 27 party presidential election.

Fishery Advisers' Help to Soviets 'Regrettable'

OW1710090691 Tokyo KYODO in English 0604 GMT 17 Oct 91

[Text] Sapporo, Oct. 17 KYODO—Three technical advisers from a major Japanese fishery assisted a Soviet-South Korea joint fishing venture off the disputed "Northern Territories" this summer and embarrassed the Foreign Ministry which has recently stepped up efforts to secure the return of the Soviet-held islands.

Learning of the incident only when the three advisers returned to Kushiro, Hokkaido, late last month, ministry sources said on Thursday it has launched an investigation.

The ministry has called for self-restraint on the part of Japanese fisheries in cooperating with Soviet endeavors.

According to the unidentified Japanese fishery company, three of its technicians obtained visas to travel to the Soviet Union and departed Niigata on August 5 for Khabarovsk.

They boarded a South Korean refrigerated cargo ship at a Soviet port and instructed crew members on the processing of salmon caught by a Soviet fishing vessel, a fishery official explained.

Following a dispute over labor conditions, the three advisers were put ashore at Etorofu, one of the islands involved in the Soviet-Japan territorial dispute.

After nearly a month's delay, the three were able to return to Japan on September 27 after the peace boat made a call to Etorofu five days earlier. They completed immigration procedures in Kushiro, Hokkaido.

The Japanese fishery originally had been asked to provide technical advisers by a South Korean firm through the fishery's trading offices, signing a contract and receiving a fee for dispatching the advisers.

Fishery officials said they had no idea the three advisers would be working off the Soviet-held islands claimed by Japan.

After landing on Etorofu, the fishery thought its three employees could return to Japan soon, but with no flights to Japan from the island, they were stranded there for a month and could only return on the peace boat.

The government's Northern Territories Affairs Administration called the incident regrettable especially "when we are trying our best to set up some rules for visa-free exchanges" for residents of the islands and Japanese.

Foreign Ministry officials also termed the incident "extremely regrettable."

"There was nothing we can call illegal, but we are surprised that a large firm was involved," said a member of ministry's Soviet Union Division, adding "it raises doubts about recognizing (the islands) as Japan's territory."

Joint-DPRK Cultural Meeting Begins 17 Oct

OW1710065291 Tokyo KYODO in English 0327 GMT 17 Oct 91

[Text] Matsue, Oct. 17 KYODO—A two-day Japan-North Korea cultural exchange meeting began Thursday at a prefectural hall in this Japan sea coast city in western Japan, organizers said.

The gathering will discuss cultural bonds in ancient times between people on the Korean peninsula and the Sanin district of Shimane and Tottori Prefectures and the northern parts of Hyogo and Yamaguchi Prefectures.

Some 400 participants were present at the opening session of the conference organized by the Shimane Prefectural Government and other institutions.

The organizers also invited four guests from North Korea.

Chu Yong-hon, director of the Korean Culture Preservation Institute, is scheduled to talk on the ancient Korean kingdom of Koryo's advance to the Izumo region, the old name for Shimane Prefecture, organizers said.

The Koryo dynasty ruled a united Korea from 935 until it was swept away by Mongol invasions from China in the 13th century.

A symposium on cultural aspects of Korea and the Sanin District is scheduled on Friday. The organizers hope to promote cultural exchanges through the two-day conference focusing on the international aspect of the ancient culture in the Sanin District, they said.

Bank Officials, Hungarian Businessman Hold Talks

AU1510095991 Budapest MTI in English 1809 GMT 13 Oct 91

[Text] Tokyo, October 13 (MTI)—Officials of the Japanese Central Bank do not rule out the possibility of the bank supporting the introduction of forint convertibility by financial measures, it was revealed at a meeting between representatives of the bank and the President of the Federation of Hungarian Entrepreneurs Janos Palotas here today.

According to Palotas, western central banks should take coordinated steps to help make the forint convertible.

The Hungarian Government has already launched a fund to promote forint convertibility.

"The Hungarian Government should attach greater importance to foreign ventures already existing in Hungary. It is not enough just to help launch a venture," Palotas said after his talks with leaders of the Japanese Tomen Trading House today.

Tomen leaders showed Palotas the plans of the company for the construction of a business centre in Budapest worth 50 million dollars.

Bolivian President Paz Zamora Arrives in Tokyo

OW1610072091 Tokyo KYODO in English 0517 GMT 16 OCT 91

[Text] Tokyo, Oct. 16 KYODO—Bolivian President Jaime Paz Zamora arrived at new Tokyo international airport at Narita Wednesday afternoon for a four-day official visit to Japan.

Paz Zamora, who is the first Bolivian leader to make an official visit to Japan, is scheduled to hold talks with Prime Minister Toshiki Kaifu Thursday. The Bolivian president is scheduled to meet Emperor Akihito on Friday.

During his four-day stay, he will meet business leaders in the powerful Federation of Economic Organizations (Keidanren).

Nissan Motor To Double Monthly Exports to Iran

OW1410022391 Tokyo KYODO in English 0122 GMT 14 Oct 91

[Text] Tokyo, Oct. 14 KYODO—Nissan Motor Co. will double monthly exports of knockdown sets for four-wheel-drive vehicles to Iran to about 1,500 kits next year at the request of the Iranian Government, a company spokesman said Monday.

The knockdown kits will be used to produce the four-wheel-drive Nissan Safari, which is sold under the Patrol Brand in Iran, the spokesman said.

Nissan will also provide technical support to Iran to help it increase efficiency in auto production, including the manufacture of engines, he said.

The increase in knockdown kit shipments was made after considering Nissan's domestic parts production capacity as well as Iranian auto demand next year, the spokesman said.

Iran is the largest market in the Middle East for Nissan and three state-run automakers are now assembling Nissan cars with parts supplied from Japan.

Home Affairs Minister Fukida Quits LDP Faction

OW1710045491 Tokyo KYODO in English 0402 GMT 17 Oct 91

[Text] Tokyo, Oct. 17 KYODO—Home Affairs Minister Akira Fukida said Thursday he is leaving the second-largest faction of the ruling Liberal Democratic Party (LDP).

Fukida told faction boss Hiroshi Mitsuzuka that he and Hiroyuki Kurata will leave the Mitsuzuka faction to join a splinter group to be led by Muksuki Kato, who also quit the faction on Tuesday.

The decision by Fukida, a member of the powerful House of Representatives, and Kurata, a member of the

House of Councillors, dealt yet another blow to Mitsuzuka, who is running in the LDP presidential election on October 27. The LDP president automatically becomes prime minister due to the party's majority in the House of Representatives.

Kato had criticized Mitsuzuka's leadership of the faction and his candidacy for the party presidency.

Spokesman on Acceptance of Sexual Harassment Law

OW1710055391 Tokyo KYODO in English 0433 GMT 17 Oct 91

[Text] Tokyo, Oct. 17 KYODO—Japan's top government spokesman said Thursday that the time is not ripe for introducing legislation banning sexual harassment, and said that he had "not heard" of such a social problem.

"Japan is not yet ready to introduce regulations. As to whether the government should do something (to prevent sexual harassment), all people need to exercise caution," Chief Cabinet Secretary Misoji Sakamoto said.

He was responding to questions at a regular press conference concerning the stir caused by allegations that newly confirmed U.S. Supreme Court Justice Clarence Thomas sexually harassed a former aide, law professor Anita Hill, when he was in charge of a government agency dealing with problems of equality in employment.

Reduction in Subsidies To Rich Local Governments

OW1610092691 Tokyo KYODO in English 0910 GMT 16 Oct 91

[Text] Tokyo, Oct. 16 KYODO—The Finance and Home Affairs Ministries agreed in principle Wednesday to reduce subsidies to rich local governments, government officials reported.

The officials said the agreement is aimed at correcting the imbalance between wealthy and poor municipalities.

However, they said the two ministries differ on when the subsidy reduction should be implemented.

The Finance Ministry wants to implement subsidy cuts to well-off administrations, including Tokyo, in fiscal 1992, while the Home Affairs Ministry seeks the agreement to be enforced in fiscal 1994 when a sweeping modification of local tax systems is completed, the officials said.

Under the existing procedures, the government distributes 20 percent of revenue from the consumption tax in subsidies to local governments to help bolster their finances.

The subsidies in fiscal 1990, which ended last March 31, totaled 1,054.2 billion yen.

The government has to date distributed the assistance in proportion to the population and work force at enterprises in local municipalities.

Under the system, prefectures with larger tax revenues received a greater amount of aid than their smaller counterparts.

The subsidy provided to the Tokyo Metropolitan Government in fiscal 1990 amounted to 104.4 billion yen or nearly 10 percent of the total.

The officials said the imbalance of tax revenues between rich and poor districts has widened due mainly to concentration of populations and surging land prices in large cities.

Five Collieries To Scale Down Production

OW1510084191 Tokyo KYODO in English 0809 GMT 15 Oct 91

[Text] Tokyo, Oct. 15 KYODO—Five Japanese coal mining companies told the government Tuesday they will scale down production at four mines and promote diversification over the next five years.

The report, submitted to the natural resources and energy agency, said two firms will continue production at optimum levels at two mines, in both Hokkaido and Nagasaki prefectures.

The production program is in response to the government's coal production policy aimed at gradually reducing domestic production.

Taiheiyo Colliery in Hokkaido Prefecture and Matsushima Colliery in Nagasaki Prefecture said they will continue production at their mines while four others in Hokkaido and Fukuoka Prefectures, including Mitsui and Sumitomo, said they will scale down production and concentrate on diversification of their business.

Mitsui said it will focus on coal production overseas and bolster its cement and construction materials manufacturing sector while promoting research and development on carbon fibers.

Two other collieries in Hokkaido, Sumitomo and Sorachi, said they will implement reorganization, including production and personnel cutbacks.

Japan's demand for coal in fiscal 1990 totaled 10,860,000 tons.

The government urged domestic coal mining companies to reduce production because of high production costs.

The domestic price of coal is 18,000-19,000 yen per ton, against 8,000-9,000 yen for imported coal.

Research Begins on New Fuel Cell Power System

OW1410222691 Tokyo KYODO in English 1412 GMT 14 Oct 91

[Text] Tokyo, Oct. 14 KYODO—A Japanese energy public corporation has started research to develop one- and five-megawatt (mw) practical phosphoric acid fuel cell power generation systems by March 1998, the corporation announced Monday.

The New Energy and Industrial Technology Development Organization (NEDO) said the research and development activities are being undertaken jointly with a research consortium made up of nine electric power companies, the power industry's research center and four city gas service companies.

NEDO officials said the projected 5,000-kilowatt (5-mw) system, a pressure type, will have power generation efficiency of at least 42 percent, the world's highest. The system is meant to serve an entire region, it said.

The planned 1,000-kilowatt system, an atmospheric pressure type, will have power generation efficiency of at least 36 percent, and integrated energy efficiency of 70 percent. The system is intended to serve a building, officials said.

NEDO started a phosphoric acid fuel cell power generation system research project in fiscal 1981. It established basic technology for fuel cell power generation systems for 1,000- and 200-kw types in fiscal 1990.

North Korea

Text of Communique on Kim Il-song's PRC Visit

SK1710030691 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 16 Oct 91

["Text" of communique issued by the Political Bureau of the Central Committee of the Workers Party of Korea (WPK) at a meeting held on 16 October]

[Text] A meeting of the Political Bureau of the WPK Central Committee was held on 16 October. The meeting of the Political Bureau was presided over by Comrade Kim Il-song, general secretary of the WPK Central Committee, who is the great leader of our party and people. The meeting of the Political Bureau was attended by members of the Presidium of the Political Bureau of the WPK Central Committee, members and candidate members of the Political Bureau, and secretaries of the party Central Committee attended as observers.

The meeting of the Political Bureau discussed the results of the visit to the PRC by the great leader Comrade Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK. The great leader Comrade Kim Il-song visited the PRC, the country of the most intimate brothers and comrades-in-arms, for the period from 4 to 13 October at the invitation of Comrade Jiang Zemin, general secretary of the CPC Central Committee, and Comrade Yang Shangkun, president of the PRC.

During the visit the great leader Comrade Kim Il-song had significant meetings with party and state leaders of China, held talks and conversed with them on many occasions, and toured many areas in Beijing and in Shandong and Jiangxi Provinces, economic and cultural organs, and other scenic and historic sites.

Through the visit the great leader Comrade Kim Il-song further deepened relations of intimacy with party and state leaders of China and received the warmest welcome from the Chinese people and exceptional hospitality from party and state cadres of China everywhere he visited.

The meeting of the Politicl Bureau highly estimated the great success and excellent results of the great leader Comrade Kim Il- song's visit to China and expressed deep satisfaction with them. Stressing that it has been a tradition for party and state leaders of the two countries of Korea and China to frequently visit each other, to deepen friendship and mutual trust, and to strengthen solidarity and cooperation between them, the meeting of the Political Bureau noted that the great leader Comrade Kim Il-song's visit to China this time was held at a very appropriate time and was another epochal event in further consolidating Korea-China friendship and further strengthening the joint struggle of the people of the two countries to safeguard, defend, and develop the cause of socialism.

A full consensus of views was reached on all matters discussed at the sincere and meaningful talks which were held in a warm and friendly atmosphere between the great leader Comrade Kim Il-song and party and state leaders of China, including Comrades Jiang Zemin, Yang Shangkun, and Li Peng.

The Political Bureau meeting, noting that the great leader Comrade Kim Il-song's visit to China this time has once again powerfully demonstrated that the friendship between the two parties and peoples of Korea and China is an invincible one that is invariably being defended and consolidated and developed even more with the passage of time in all situations, has expressed deep gratitude to the Chinese party and state leaders for having most warmly and sincerely welcomed and accorded the great leader Comrade Kim Il-song hospitality with an exceptional sense of intimacy, friendship worthy of comrades, and great respect.

The Political Bureau meeting has noted, with satisfaction, the fact that at the meaningful meetings and talks held during the great leader Comrade Kim Il-song's visit to China this time the leaders of Korea and China informed each other of successes and experiences attained in the socialist construction in the two countries and extended mutual support and firm solidarity.

During the meetings and talks held this time, the Chinese party and state leaders offered congratulations to our people on their successful building of a man-centered socialism commensurate with the independent aspirations and demands of the people by accelerating socialist construction under the guidance of the party and the banner of the three revolutions—ideological, technological, cultural—and then wished our people new, greater successes in socialist construction.

In particular, Chinese party and state leaders highly appreciated the fact that our party has been strengthened organizationally and ideologically, that firm, unwavering unity has been realized between our party and the people, and that this is precisely the basic factor that has enabled our country to carry out the revolution and construction successfully.

During his visit, the great leader Comrade Kim Il-song highly appreciated the fact that the Chinese people, under the guidance of the CPC with Comrade Jiang Zemin at its heart, are giving full play to the power and vitality of socialism by attaining great success in their struggle to build socialism with Chinese characteristics, while maintaining the four cardinal principles and carrying out reforms and opening up.

After offering congratulations to the Chinese people on the successes attained in their socialist construction, the great leader Comrade Kim Il-song expressed the hope and conviction that the Chinese party and people will achieve greater successes in their struggle to realize the strategic goals of the second phase of building modern socialism.

During the great leader Comrade Kim Il-song's visit to China this time, the leaders of the two countries expressed great satisfaction over the fact that socialism is victoriously advancing in their two countries and expressed firm, unwavering common will to resolutely defend the socialist cause, develop it continually, and consummate it to the end under any circumstances.

The Political Bureau meeting has unanimously welcomed and expressed full support for and consent to this.

During their meetings and talks with the great leader Comrade Kim Il-song, the Chinese party and state leaders positively supported the principled stand and reasonable proposals of our party and the Republic's Government for reunifying the country by way of a confederation based on one race and one state, two systems and two governments, expressing their conviction that progress will be made in settling the Korea's reunification question after smashing the maneuvers of the splittists to fabricate two Koreas.

The great leader Comrade Kim Il-song expressed full support for the Chinese party and government's position on and efforts to restore Taiwan, China's inseparable territory, to China and to reunify the whole country.

The Political Bureau meeting admitted that the mutual support and solidarity expressed by the Korean and Chinese leaders will vigorously encourage and push forward the struggle by the two countries' peoples for socialist construction and reunification of the fatherland. It noted with firm conviction that revolution and construction in the two countries will advance continuously and victoriously based on this support and solidarity.

In the meetings and talks that were held, the leaders of the two countries exchanged views on international issues of mutual interest. They expressed mutual understanding of and support for the independent foreign policies and positions of the two countries' parties and governments.

In the meetings and talks, opposing hegemonism in international relations, respecting the principles of equality and noninterference in internal affairs, and turning the Korean peninsula and other parts of the world into nuclear-free peace zones were emphasized.

The leaders of the Chinese party and state fully supported our party and the government's foreign policy based on the ideals of independence, peace, and friendship, and expressed expectations and conviction that our country will further expand and develop the friendly and amicable relations with Asia and the rest of the world and make greater contributions to independence and peace around the world.

The great leader Comrade Kim Il-song expressed full support for the independence-, sovereignty-, and peace-oriented foreign policy implemented by the Chinese party and government and congratulated the PRC on its daily increase in international dignity and influence.

Throughout the meetings and conversations, the great leader Comrade Kim Il-song and the leaders of the Chinese party and state stressed especially the importance and significance of Korea-China friendship. The leaders of the two countries expressed their firm resolve and will always to treasure the Korea-China friendship, which is cemented in blood and overcame all trials, and to help it grow from generation to generation in conformity with the common aspirations of the two peoples and countries and the common cause of socialism.

The Political Bureau meeting expressed great satisfaction that the great leader Comrade Kim Il-song's visit to China has further promoted the comradely fraternity and trust between the parties and peoples of Korea and China and opened a new and shining chapter in the history of Korea-China friendship.

The Political Bureau meeting approved unanimously the results of the visit to China by the great leader Comrade Kim Il-song, expressed determination to consolidate future successes and further develop Korea-China friendship in an all-round way, and adopted a relevant resolution in this regard.

The party Central Committee Political Bureau meeting said that party organizations and functionaries of all levels and all party members and working people will accelerate the revolution and construction more vigorously under the banner of the chuche idea to more greatly contribute to implementing the sacred cause of accelerating the complete victory of socialism and the independent and peaceful reunification of the country.

Daily Says U.S. Opposes Third World Countries

SK1510114791 Pyongyang KCNA in English 1034 GMT 15 Oct 91

["U.S. Imperialists' Outcries Over 'Regional Crises' Are New Armed Intervention and War Chant"—KCNA headline]

[Text] Pyongyang October 15 (KCNA)—The U.S. imperialists are trying to dominate and control different regions and countries of the world under the pretext of "settlement" of "regional crises", says NODONG SINMUN in a by-lined article today.

The main target of the U.S. strategy of aggression is to oppose the Third World countries, the countries which are maintaining revolutionary principle and independent stand, on the plea of "defusing regional crises and disputes", the article says, and continues:

The United States declared all the regions of the world "region in which it has got a vital stake" and, describing any happenings in a certain area as a "threat to its interests", is trying to openly meddle in the regional issues on the pretext of "defusing" and "settling" them.

Still worse, the U.S. brasshats recently pressed for the promotion of the space weapons system, saying the "occurrence and threat of regional disputes and crises" make the Strategic Defence Initiative (SDI) all the more important than before.

This shows that the U.S. imperialists are intending to spur on the conversion of outer space into a nuclear base and seeking a military adventure to put their regional strategy into practice by dint of nuclear arms.

Their moves are immediately focused on the Korean peninsula.

The U.S. imperialists are, in actuality, making desperate efforts to provoke a war of aggression against our Republic, talking about "critical situation" and "large-scale dispute" on the Korean peninsula.

The U.S. imperialists are nowadays advertising their ridiculous "nuclear plan" and getting all the more undisguised in their maneuverings for nuclear pre-emptive attack on the North.

Hence, the cold war did not come to an end but the practical danger of a nuclear war is increasing on the Korean peninsula, unlike in other regions where detente and nuclear disarmament are making headway.

The new military adventures the U.S. imperialists are resorting to, raising a hue and cry over "regional crises", pose a grave threat to people's sovereignty and independence, regional stability and peace.

The United States must stop their moves for aggression and war and pull its aggression forces and nuclear weapons out of the Korean peninsula and other regions of the world at an early date.

U.S. Air Exercises on 12 October Reported

SK1410060791 Pyongyang KCNA in English 0509 GMT 14 Oct 91

[Text] Pyongyang October 14 (KCNA)—The U.S. Pacific Air Force Command on October 12 staged a provocative joint aerial strike exercise in South Korea, according to military sources.

Mobilized in the reckless war exercise frantically staged in the sky above Oeyon and Anmyon islets were formations of pacific-based nuclear-capable fighter-bombers and tanker planes, and more than 200 fighter-bombers, assault planes and observation planes of the U.S. Air Force present in South Korea and the puppet air force.

That day the U.S. imperialists sent a U-2 high-altitude strategical reconnaissance plane and army tactical reconnaissance planes of various types to the sky above the area of the Military Demarcation Line [MDL] for an aerial espionage on targets in the in-depth and frontline areas of the North side.

In separate action, the South Korean puppets staged provocative ground and aerial war maneuvers getting on our nerves near the demilitarized zone of the MDL.

On the 11th, they sent a large number of artillery pieces, tanks and armored vehicles to the areas of Kapyong and Pochon adjacent to the MDL to stage an attack exercise against the North with the support of flying corps, and 105 mm gun groups of the puppet army in the area of Chongja-ri, Paju County, fired volleys at a point near the MDL.

On the same day, more than 30 helicopters of the puppet army staged a frantic nocturnal taking-off and landing exercise and aerial strike exercise in the sky above the MDL area in the eastern sector of the front.

This vividly shows that the U.S. imperialists and the South Korean authorities are getting overheated in their new war provocation maneuvers behind the facade of "disarmament".

U.S. Exercises on 15 October Reported

SK1710063691 Pyongyang KCNA in English 0517 GMT 17 Oct 91

[Text] Pyongyang October 17 (KCNA)—The U.S. Pacific Air Force and Navy commands on October 15 staged a joint air-to-ground strike exercise against the North, according to military sources.

This provocative racket staved in the sky above the areas of Oeyon islet, Kunwi and Yoju of South Korea was an exercise to raise the capacity of a joint air-to-ground strike in cooperation with formations of fighter-bombers, assault planes and observation planes based in the Pacific bases and F-16, F-5 and F-4 fighter bombers of the U.S. Seventh Air Force present in South Korea and the puppet air force.

Mobilized in the exercise were more than 250 fighter planes of different types.

That day the U.S. imperialists sent a U-2 high-altitude strategical reconnaissance plane, army tactical reconnaissance planes of different types and EH-60 electronic warfare helicopters to the sky above the area of the Military Demarcation Line [MDL] for an aerial espionage and aerial photographing.

In separate action, the South Korean puppets got frantic in a provocative rifle and gun firing and aerial war exercise levelling at us in the areas adjacent to the MDL.

105 mm gun groups of the puppet army which were gathered in the area of Chungsa-ri, Yonchon County, on October 15 fired more than 20 shells, moving toward the MDL, and on the same day, over 30 armed helicopters of the puppet army staged an aerial strike exercise against frontline area of our side, making low-altitude and ultra low-altitude flight.

The war planes which were mobilized in the aerial war exercises on October 15 alone numbered a total of some 650.

U.S. Ambassador to South Involved in Car Crash

SK1710105791 Pyongyang KCNA in English 1010 GMT 17 Oct 91

[Text] Pyongyang October 17 (KCNA)—U.S. Ambassador to South Korea Gregg drove his car into the "no passing" line in Seoul on the night of October 13, colliding with another car, according to a radio report from Seoul.

The other car was smashed in part and a six-year child was wounded.

Not a day is passing without disasters upon South Korean people by uninvited guests from the soldiers of the U.S. imperialist aggression forces present in South Korea to the colonial "governor- general."

Daily Urges Adopting Nonaggression Declaration

SK1410121991 Pyongyang Korean Central Broadcasting Network in Korean 0113 GMT 13 Oct 91

[NODONG SINMUN 13 October "special article": "North-South Nonaggression Declaration Should Be Adopted Immediately"]

[Text] The second pan-national rally was successfully held in Panmunjom, Seoul, and Tokyo on the occasion of the 15 August liberation anniversary. At this rally, fellow countrymen from the North, the South, and overseas unanimously called for the adoption of a North-South nonaggression declaration at an early date that will serve as a starting point for peace on the Korean peninsula and for the nation's peaceful reunification.

The issue of adopting a nonaggression declaration at present is an urgent question awaiting imminent solution for peace and the nation's reunification. The great leader Comrade Kim Il-song has taught: The adoption of a nonaggression declaration will serve as a starting point for removing distrust between the North and the South and for opening a new phase for peace and peaceful reunification by eliminating the state of confrontation.

The greatest internal obstacle to achieving the national reunification, which is our people's greatest desire, is mutual distrust between the North and the South. For more than 40 years since the nation was divided by outside forces, the North and the South have been pointing guns at each other, with the Military Demarcation Line in between.

Such military confrontation serves as a constant source for armed clashes breaking out and a war in Korea and as a factor causing misunderstanding and distrust. Unless military confrontation, the source of deep-rooted distrust between the North and the South, is removed, neither peace nor peaceful reunification can be achieved.

To resolve the reunification question at an early date amid the atmosphere of reconciliation and unity by removing distrust between the North and the South and to ensure the nation's peace by removing the danger of war threatening the people, the nonaggression declaration, which pledges no invasion of the other side with armed forces, must be adopted.

Adopting a nonaggression declaration by the North and the South is the most earnest and core issue for achieving peace and the nation's peaceful reunification. While attaching primary significance to the issue of peace on the Korean peninsula, we have stated the issue of adopting a nonaggression declaration and the issue of removing the military confrontation. We have made every sincere effort to realize them.

Even in recent years, we have offered a comprehensive proposal foreseeing the adoption of a nonaggression declaration between the North and the South, the conclusion of a peace agreement between the DPRK and the United States, the drastic reduction of armed forces in the North and the South, and the withdrawal of U.S. troops and nuclear weapons from South Korea. In particular, during the North-South high-level talks last year, we offered a new proposal for adopting a nonaggression declaration to actually remove the military confrontation.

The nonaggression declaration that we proposed foresees the promise of no invasion by either side and measures to be followed up thereafter. If the nonaggression declaration proposed by us is adopted, the North and the South can free themselves from suspicion of the other side's invasion, can develop relations in an atmosphere of trust, and can solve the reunification question peacefully.

However, the South Korean authorities are opposed to taking any steps to adopt a nonaggression declaration and to remove the military confrontation while talking about exchanges first and creating trust and so forth instead of accepting our peace proposal. Claiming that even if the nonaggression declaration is adopted, they cannot trust it, they have offered a so-called basic agreement for improving North-South relations, a splittist plan which stipulates the recognition of the South as a substantial entity and the establishment of permanent missions. They have stubbornly insisted that before this agreement is adopted, they cannot adopt any other document, including the nonaggression declaration.

This shows that the South Korean authorities only pursue perpetuation of division and that they have no intention to solve the issue of peace in the nation and the question of reunification.

The policy of giving priority to exchanges, which the South Korean authorities insist on, is completely unrealistic and unjust in our country's circumstances in which the two sides are confronting each other politically and militarily. Even though we acknowledge that it is necessary to solve the problems of humanitarian travels and exchanges, we demand that the peace problem and the military problem be solved first. This is because it is very clear that travels and exchanges cannot be facilitated smoothly if political and military confrontation are left intact and that even if they are facilitated, they will be illy used in the confrontation.

War is a real danger in our country today. As a matter of fact, the danger of war hovers more heavily on the Korean peninsula than anywhere else in the world. Instead of trying to remove an imminent danger, the South Korean authorities propose sight-seeing or trade in our country's circumstances in which this national disaster is facing us. This virtually means that they do not want peace or will not facilitate normal travels and exchanges themselves.

The South Korean authorities opposed the adoption of a nonaggression declaration by presenting the precondition that trust must first be promoted. We cannot understand this logic, either. The South Korean authorities babble as if partial exchanges and the advance notification of war exercises are sufficient to promote trust. This is empty talk inappropriate for the reality in our country, which has an armistice.

The notion that trust must first be promoted, which the South Korean authorities espouse, is a mere excuse to avoid adopting a nonaggression declaration. A nonaggression declaration in itself is the most solid and most reliable measure to guarantee trust. Therefore, it is not a matter that must be handled after promoting trust but a starting point for promoting trust and the most important guarantee toward that end.

If the South Korean authorities, even before adopting a nonaggression declaration, consider it to be mere waste paper and doubt it in the first place, nothing can be resolved in reality between the North and South, and it will be meaningless for the North and South to sit face to face.

The South Korean ruling bunch has quite frequently babbled about peace, an end to the cold war, or nonaggression. However, it rejected the adoption of a nonaggression declaration. This proved that it is all empty talk. The fact that the South Korean ruling bunch opposed the adoption of a nonaggression declaration means that the threat of a southward invasion about which it has babbled is false. Opposition to the adoption of an nonaggression declaration means an intention to wage a war. Such an attempt by the South Korean ruling bunch is clearly shown in its acts and deeds.

The South Korean authorities are maneuvering to continuously keep the U.S. forces, the ringleader of aggression and war, in South Korea by all means. They have recently babbled about the North's nonexistent development of nuclear weapons as part of cunning slander maneuvers. Since the Persian Gulf war, along with the United States, the South Korean ruling bunch has continuously and greatly increased its military expenditures and introduced new generations of weapons on a large scale to accelerate the modernization of the puppet armed forces.

The South Korean authorities and the United States initialled the so-called Wartime Host Nations Support agreement, which can only be signed during wartime or on the eve of war. For the South Korean ruling bunch to sign the wartime agreement, which makes war on the Korean peninsula an accomplished fact, after turning a blind eye to the peace proposal by its fellow countrymen to adopt a nonaggression declaration, is an antinational crime. The South Korean authorities must stop committing the antinational crime of provoking a war designed to murder its fellow countrymen in collusion with outside forces and must veer toward adopting a North-South nonaggression declaration and achieving peace on the Korean peninsula and the nation's peaceful reunification.

A nonaggression declaration is what the South Korean authorities themselves proposed previously. There can be no reason or pretext for them to oppose it. If the South Korean authorities refuse to the end to adopt a nonaggression declaration, if they aggravate military confrontation and move to provoke war, they will not be able to escape from the denunciation and punishment by the nation.

North-South Liaison Officials Prepare for Talks

SK1710103191 Pyongyang KCNA in English 1018 GMT 17 Oct 91

[Text] Panmunjom October 17 (KCNA)—A contact between the chief liaison officials from the North and the

South took place in Panmunjom today in connection with the fourth inter-Korean high- level talks to be held in Pyongyang.

The contact made a final confirmation of such working matters as the procedures of the passage of the South side's delegation through Panmunjom, the programme of its stay in Pyongyang and guarantee for conveniences.

Paper Praises Kim Chong-il Work on Arts

SK1610113391 Pyongyang KCNA in English 1011 GMT 16 Oct 91

["Highly Important Guideline in Building Revolutionary Literature and Art and Establishing the Method of Creating Them"—KCNA headline]

[Text] Pyongyang October 16 (KCNA)—NODONG SINMUN today dedicates a signed article to the 20th anniversary of the publication of the dear leader Comrade Kim Chong-il's immortal classic work "Works of Art Are the Fruits of Creative Workers' Passion and Study." The article says this work is a militant banner which encourages our writers and artists to learn by heart the greatness of their leader and party and the invincibility of Korean-style socialism and effectively promote the creation of revolutionary literature and art.

It continues:

In the work, the dear leader advanced militant tasks to bring cinema art in our country up to the world's standard and expounded in an all-round way the problems facing the creative workers and artists in establishing the revolutionary method of creation.

The dear leader Comrade Kim Chong-il said:

"Creative workers and artists in the field of cinema art should make every possible effort to bring cinema art in our country up to the world's standard not only in its ideological aspect but also in its artistic aspect."

The dear leader advanced militant tasks facing the writers and artists, saying that they should explore the reality deeply and gain deep experience of life and study life in depth, fully aware that only when they are fully acquainted with the worthwhile life and valiant efforts of our heroic people, can they create fine works of art which touch the heartstrings of the people.

In order to understand life properly writers and artists should acquaint themselves fully with the intentions of the party. When the writers and artists explore the reality after acquainting themselves fully with the instructions of the great leader President Kim Il-song and the policies of the party and firmly acquiring the revolutionary stand and scientific attitude and method toward the reality, they can deeply understand the spirit of our times and the essence of life and create works excellent in ideological and artistic aspects.

It is also noted in the work that every character and hand prop in a film must be bound organically to the plot, the dialogue in a film must be meaningful, priority must be given definitely to the creation of scenarios and the writers must have a deep and profound knowledge of all sectors.

The great changes which have taken place in our literature and art including cinema art clearly prove the truth and justness of the thought and theory set out in the dear leader's classic work.

The most important success is that the task to bring cinema art up to the world's standard in all aspects was fulfilled brilliantly, the ranks of writers and artists unfailingly faithful to the party and the revolution and well prepared in the practice of art have been firmly built up and the revolutionary method of creation and work has been established thoroughly among them.

The article stresses the need to consolidate the achievements in literature and art.

Leaders Present at Mine Expansion Ceremony

SK1610120091 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 6 Oct 91

[Excerpts] On the morning of 6 October, a ceremony to start operation upon the completion of the construction to expand the steel ore production capacity of the Musan Mining Complex was held on the spot. [passage omitted]

Comrade Kang Song-san, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee, responsible secretary of the North Hamgyong Provincial Party Committee, and chairman of the People's Committee of North Hamgyong Province; Comrade Choe Yong-nim, candidate member of the Political Bureau of the WPK Central Committee and vice premier of the State Administration Council; Son Kyong-chun, first vice minister of the Ministry of Metal Industry; and other functionaries concerned participated in the operation ceremony with the employees and builders of the Musan Mining Complex. The ceremony began with singing of the song, "General Kim Il-song."

At the ceremony, Comrade Kang Song-san delivered the thank-you message of the WPK Central Committee. [passage omitted]

KCNA Reviews Daily Pyongyang Press

12 October

SK1210060391 Pyongyang KCNA in English 0447 GMT 12 Oct 91

[Press review]

[Text] Pyongyang October 12 (KCNA)—Papers here today carry photo-accompanied reports that Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, in company with Comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, visited the Huafei Color Display System Company, Ltd. in Nanjing and the Yizheng Chemical Fibre Industrial Company in Yangzhou.

According to the press, Chinese news media have given wide publicity to President Kim Il-song's sojourn in China. Echoed in the press is what working people said about his visit to China.

Appearing in the press is a message of greetings President Kim Il-song sent to Obiang Nguema Mbasogo, president of the Republic of Equatorial Guinea and founder-chairman of the Democratic Party, on the 23rd anniversary of the independence of the country.

NODONG SINMUN carries a message of greetings sent to President Kim Il-song by Blaise Compaore, president and head of Government of Burkina Faso, and a message of greetings to the C.C. [Central Committee], the Workers' Party of Korea from the C.C., the Lebanese Communist Party on the occasion of the 46th founding anniversary of the WPK.

Works of the dear leader Comrade Kim Chong-il have been studied and disseminated abroad, reports the daily.

Carried in the daily are voices of South Korean people who are filled with conviction of the bright future of the nation.

NODONG SINMUN comes out with an article titled "creativity of the working people brought into full play under socialism" and MINJU CHOSON an article titled "Cultural and Emotional Life is Important Tone of Life for Revolutionaries".

It is reported in the press that threshing is going on at rural communities and meetings of working people were held in different parts of the country to spread clay on paddy fields through a nationwide campaign.

NODONG SINMUN reports that the Equatorial Guinean president, the chairman of the Council of Ministers of Vietnam and the chairman of the National Conservative Action Party of Nicaragua met with the DPRK ambassadors to their countries and the DPRK ambassador to Sao Tome and Principe paid a courtesy call on the prime minister of the country.

A Korean photo exhibition and a film show were held in Burundi on the occasion of the 46th founding anniversary of the Workers' Party of Korea and a protocol of the 5th meeting of the Intergovernmental Economic Joint Committee of the DPRK and the Islamic Republic of Pakistan was signed in Islamabad, according to the paper.

Given in the press is an account of a guest performance given by the song and dance ensemble of the Chinese People's Armed Police Force.

Appearing in the press is a letter sent by Yi Hyon-ok, daughter of Yi In-mo, former war correspondent of the People's Army, to those kind people in the South who are looking after her father sick in bed after serving the prison term of 34 years.

The world public are bitterly denouncing the U.S. imperialists for forcing unilateral "nuclear inspection" of the North and strongly demanding the withdrawal of the U.S. nuclear weapons from South Korea, a delegate of the National Council of Student Representatives waged a hunger strike in front of the White House in demand of the conversion of the Korean peninsula into a nuclear-free zone and the U.S. troops' pullout and the co-chairman of the South Korean Democratic Party demanded the denuclearisation of the Korean peninsula and the abrogation of the "National Security Law", says the press.

Carried in the press is a statement issued to the press by a spokesman for the Central Committee of the Korean Natural Conservation Union denouncing the anti-national criminal act of the South Korean authorities who are planning to build a nuclear power station near the Military Demarcation Line.

The U.S. imperialists and the South Korean ruling group staged provocative aerial joint war exercises according to the press.

NODONG SINMUN rounds up voices of the world public highly praising the Workers' Party of Korea as a vanguard unit which has struck its roots deep among the popular masses and breathes together with them.

Comrade Jiang Zemin referred to the development of agro-science, celebrations of the 80th anniversary of the 1911 revolution took place in China and books on the history of the Communist Party of China were off the press in China, says the press.

NODONG SINMUN reports that the fourth congress of the Communist Party of Cuba opened, the president of Tunisia pointed to the way of peaceful settlement of the Mid-East issue and a meeting of ministers in charge of the economy of ASEAN member nations was held.

Papers observe the 23rd anniversary of the independence of Equatorial Guinea.

"U.S. policy of nuclear blackmail should be stopped immediately" is the title of a NODONG SINMUN article.

13 October

SK1310111591 Pyongyang KCNA in English 0831 GMT 13 Oct 91

[Press review]

[Text] Pyongyang October 13 (KCNA)—Dailies here today carry a photo-accompanied report that Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, on a visit to China, together with Comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, went round Lake Shouxi and cultural relics in Yangzhou City, Jiangsu Province.

According to the press, President Kim Il-song was presented with the Chinese feature film "Zhou Enlai" by Comrades Jiang Zemin and Yang Shangkun and the Yangzhou City Committee of the Communist Party of China and the Yangzhou City people's government gave a dinner and the city people's government arranged an art performance in honor of President Kim Il-song's visit to Yangzhou City.

Chinese and other foreign news media have given wide publicity to President Kim Il-song's sojourn in local areas of China, says the press.

Papers report that President Kim Il-song received congratulatory messages and letters from different countries on the occasion of the 43rd founding anniversary of the Democratic People's Republic of Korea.

Printed in NODONG SINMUN are messages of greetings foreign party and state leaders sent to President Kim Il-song in support of the DPRK's U.N. membership.

Thanks of the Central Committee of the Workers' Party of Korea was conveyed to the workers of the Nampo Shipbuilding Complex, says the paper.

According to it, the Peruvian magazine SI introduced "Kimjongilia".

Dailies inform the readers that the Equatorial Guinean prime minister and the chairman of the Democratic Unity Party-Revival Group of Sao Tome and Principe met DPRK ambassadors to their countries.

The press observes day of physical culture and sports.

Given in papers are accounts of meetings held and statements issued in different countries and articles published by foreign press media on the occasion of the month for supporting the proposal to found a democratic confederal republic of Koryo.

Carried in them are a letter the Central Committee of the DPRK Red Cross Society sent to the Red Cross organizations of all countries and international organizations, calling for an international rescue campaign to send old man Yi In-mo, a former war correspondent of the Korean People's Army, back to the northern half of Korea.

"North-South Nonaggression Declaration Must Be Adopted Immediately" is the title of a NODONG SINMUN article.

Papers introduce achievements made by China in several fields while advancing under the banner of socialism.

World news of the press includes reports that the Iranian president rejected the U.S. moves to control the Persian Gulf, the Argentine president denounced U.S. sanctions against Cuba, the Zimbabwean president accused Western countries of seeking to meddle in other's internal affairs, and the current situation in the Soviet Union.

NODONG SINMUN comes out with an article entitled "Denuclearization Is an Irresistible Aspiration of the World's People."

14 October

SK1410064791 Pyongyang KCNA in English 0518 GMT 14 Oct 91

[Press review]

[Text] Pyongyang October 14 (KCNA)—Papers here today carry a photo accompanied report that Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, in company with Comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, visited the Jiangdu key water conservancy project in Yangzhou City and news that Comrade Jiang Zemin arranged a luncheon for him.

Chinese news media reported about the sojourn of the great leader President Kim Il-song in Jiangsu Province, China, according to the press.

Appearing in the press is a message of greetings sent by President Kim Il-song to 'Ali 'Abdallah Salih, president of the Presidential Council of the Republic of Yemen, on the occasion of the 28th anniversary of the October 14 revolution in the country.

Seen in NODONG SINMUN are messages of greetings to President Kim Il-song from Alberto Fujimori Fujimori upon the DPRK's admission to the United Nations and from Walid Jumblatt, president of the Socialist Progress Party of Lebanon, on the occasion of the 46th anniversary of the founding of the Workers' Party of Korea.

The paper runs an article by anti-Japanese revolutionary fighter Chu To-il saying that Pyongyangites warmly welcomed President Kim Il-song upon his triumphal return home after accomplishing the historical cause of national liberation at the then Moranbong Public Playground on October 14, 46 years ago.

Works of the dear leader Comrade Kim Chong-il were studied and disseminated abroad, says the press.

MINJU CHOSON in an article says that Comrade Kim Chong-il made sure that the Songdowon sea beach in Wonsan, Kangwon Province, was built into an excellent cultural recreation ground for the working people.

Carried in NODONG SINMUN is a message of greetings to the Central Committee of the Workers' Party of Korea from Man Mohan Adhikari, chairman of the Central Organising Committee of the Nepal Communist Party (United Marxism-Leninism) on the occasion of the 43rd anniversary of the foundation of the DPRK.

The paper reports that the Japan Society for the Study of Kimilsungism published the MAGAZINE STUDY OF KIMILSUNGISM Nos. 56- 58.

The econews columns of the press include reports that the Yongsong general machine bureau is producing a 5,000 hp compressor, threshing of grain is going on at rural communities and the Pyongyang metal building materials factory has already fulfilled the yearly plan.

MINJU CHOSON comes out with an article titled "Land Management is Worthwhile Work for the Country's Prosperity and People's Happiness".

Given in the press is an account of the sojourn of the Pochonbo Light Music Troupe in Japan.

The press informs the readers that a preliminary meeting for summing up the grand reunification festival of youth and students in the North, South and overseas for an agreement on the way of reunification, peace of the country and great national unity was held in Pyongyang and a Korean soccer team left for the United States.

The chairman of the Caribbean National Movement met the Korean ambassador to Jamaica, reports NODONG SINMUN.

It is reported in the daily that Korean films were screened abroad on the 46th founding anniversary of the WPK, foreign friends praised the WPK as a veteran and experienced party, statements were released congratulating the DPRK on its UN membership and a national seminar for supporting Korean reunification was held in Peru.

Th U.S. claim for a unilateral "inspection of nuclear facilities" of our Republic has come under fire in the world public circles.

Included in the South Korean news columns are reports that the people's alliance consisting of 23 organizations including the National Council of Student Representatives (Chondaehyop) demanded the abolition of the "National Security Law" and the release of prisoners, the son of Rev. Mun Ik-hwan urged the release of all prisoners of conscience, Chondaehyop chairman Kim Chong-sik rejected the first trial and representatives of some 90 organizations in Kyonggi Province staged an all-night sit-in against the evil law on labour.

The U.S. imperialists staged a criminal joint aerial combined exercise against the DPRK, says the press.

A NODONG SINMUN article exposes the cruel nature of the South Korean authorities' fascist "security-oriented" rule.

The daily carries news that the secretary of the National Council of the All India Youth Federation urged the South Korean authorities to allow students' study tour of Pyongyang.

It reports that the campaign for following progressive people and groups is brisk in China.

It is reported in the daily that a spokesman for the State Council of China elaborated on China's internal and external policies, the general secretary of the Arab League criticized Israel and the Egyptian foreign minister demanded that east [word indistinct] be returned to the Arab people

The press observes the 20th anniversary of the opening of diplomatic relations between Korea and Sierra Leone and introduces Yemen.

NODONG SINMUN runs an article exposing the serious contradition between the United States and the European Community in agricultural products.

South Korea

Itinerary for Pyongyang Ministerial Talks Set

SK1710090491 Seoul YONHAP in English 0821 GMT 17 Oct 91

[Text] Seoul, Oct. 17 (YONHAP)—South and North Korea agreed Thursday on the itinerary for Seoul's delegation to the fourth inter-Korean prime ministers' talks, beginning Oct. 23 in Pyongyang.

South Korea handed over a list of the names of the delegates and North Korea delivered a written guarantee of their safety.

The delegates will enter North Korea on Oct. 22 via the truce village of Panmunjom, attend the talks Oct. 23 and 24, and return Oct. 25 via Panmunjom.

The first session will be open to the press and the second will be closed.

The South Korean delegation will attend a dinner hosted by Prime Minister Yon Hyong-muk on Oct. 22 and by Yang Hyong-sop, chairman of the Supreme People's Assembly, on Oct. 24.

It will visit the Korean film studio and the Pyongyang first department during its stay in Pyongyang.

The delegation will stay at the Paekhwawon Guest House and the meetings will take place in the People's Palace of Culture, the same as the second round of talks last year.

Expanded Military Exchanges With USSR Planned

SK1710091891 Seoul YONHAP in English 0859 GMT 17 Oct 91

[Text] Seoul, Oct. 17 (YONHAP)—South Korea and the Soviet Union will expand military relations through an exchange of generals and cooperation in the defense industry, a highly placed government source said Thursday.

Lt. Gen. Yong Yong-il, commander of the Defense Ministry's Intelligence Headquarters, will visit Moscow late this month to attend a ceremony opening a military department in the South Korean Embassy, the source said.

On Nov. 4, Lt. Gen. Viktor Novozhilov, commander of Soviet Army's Far East Military District, will come to Seoul to deliver a key-note speech on Soviet views on Asia-Pacific Security at a two- day seminar at Tanguk University.

It will be the first time for the two countries to have such high-ranking officers visit each other's capital. The two countries normalized diplomatic relations on Sept. 30 last year, ending decades of enmity.

Both generals, Yong and Novozhilov, are expected to discuss with officials of the opposite government how to beef up cooperation in the military sector.

Seoul sent a colonel as military attache to Moscow on Oct. 1, some four months after a two-star general came to Seoul to take up a similar post in June.

South Korea is heavily dependent on the United States for its military buildup and is gradually seeking to diversify partners.

Official Leaves for Moscow To Promote Exchange

SK1210050991 Seoul YONHAP in English 0437 GMT 12 Oct 91

[Text] Seoul, Oct. 12 (YONHAP)—Vice Information Minister Yi Kyong-sik left for Moscow Saturday afternoon for talks with Soviet government officials and media leaders on improving bilateral understanding and promoting exchanges of journalists.

Businessmen To Act on Trade Deficit With Japan

SK1510021391 Seoul YONHAP in English 0103 GMT 15 Oct 91

[Text] Seoul, Oct. 15 (YONHAP)—Korean and Japanese business leaders agreed on Monday to try and correct their trade imbalance heavily in favor of Japan and strengthen technological cooperation between the two countries.

The agreement came at a meeting of leaders of the Federation of Korean Industries and the Japanese Federation of Economic Organizations or Keidanren.

The two sides, however, failed to work out details of their agreements. They simply decided to tackle the problems with efforts based on mutual trust, officials said.

At the meeting, the Korean delegates asked the Japanese to remove "invisible barriers" Japan has erected against Korean products. As for technological cooperation, the Korean side requested a Japanese assistance for the development of high technology in Korea.

The Japanese delegates promised that they will continue to maintain special tariff rates for Korean imports while trying their best to help improve trade balance.

The 13-member Korean delegation include honorary chairman of the Hyundai group Chung Chu-yong, Ku Cha-kyong, chairman of the Lucky- Goldstar group, and Choe Chong-hyon, chairman of the Sunkyung Group.

The 12-member Japanese delegation was led by Keidanren chairman Hiraiwa Kaishi.

Tougher Entry for Koreans From China Planned

SK1210062691 Seoul YONHAP in English 0544 GMT 12 Oct 91

[Text] Seoul, Oct. 12 (YONHAP)—Over 10,000 Korean-Chinese are illegally working in South Korea and the government is considering introducing tougher entry procedures for the Chinese of Korean extraction next year, Foreign Ministry sources said Saturday.

Korean-Chinese tourists used to sell oriental remedies on the streets of downtown Seoul, but now they take jobs at construction sites, and in restaurants and bars, the sources said.

"Unofficial estimates put the number at between 10,000 and 15,000 Chinese of Korean ancestry illegally working in the country at present," one source said.

The Justice Ministry would soon take over matters relating to Korean-Chinese from the Foreign Ministry, they said.

Possibly from the beginning of next year, city and provincial immigration offices will scrutinize invitations to identify those Chinese who intend to work here against the law.

Koreans in China may visit at the invitation of a relative who is a citizen of Korea and may stay for up to three months.

The Labor Ministry was calling for stern control of illegal foreign workers as their number had increased, the sources said.

"It is rumored that a month's pay in Korea is equivalent to half a year's wages in China," one of the sources said.

Korea and China have not yet normalized diplomatic relations but have increasing human and materials exchanges.

ROK Elected to International Standards Board

SK1710032091 Seoul THE KOREA TIMES in English 17 Oct 91 p 8

[Text] Korea has been elected to the 18-member board of directors of the International Organization for Standardization (IOS), the Industrial Advancement Administration [IAA] announced yesterday.

According to the administration, Korea was voted to the board of directors during a general assembly of IOS which was held in Madrid, Spain, Oct. 1-11.

Seventy-three-member countries of the international organization took part in the general assembly, including South Korea, North Korea, the United States, the Soviet Union and China.

Yi Tong-hun, administrator of the IAA, led a four-member Korean delegation to the general conference of IOS.

Korea will stay in the board of directors for three years.

The administration said that eight other countries competed with Korea for fours seats of the IOS's board of directors.

They were China, Italy, Singapore, Turkey, Tanzania, Saudi Arabia, South Africa and Venezuela.

The remaining three seats went to Italy, China and Singapore.

North's Kim Yong-sun Set To Tour Southeast Asia

SK1710094791 Seoul YONHAP in English 0906 GMT 17 Oct 91

[Text] Seoul, Oct. 17 (OANA-YONHAP)—Kim Yong-sun, the North Korean Workers (Communist) party official in charge of international affairs, is expected to visit Malaysia, Indonesia and Australia early next month to negotiate an improvement in economic and diplomatic relations, a South Korean government official said Thursday.

Kim would probably embark on the trip soon after the fourth round of the inter-Korean prime ministers' talks in Pyongyang Oct. 22-25, the official said.

Kim, one of the most influential figures in North Korea's diplomacy, was likely to focus his talks with local officials on expanding trade with the three countries and improving diplomatic ties, he said.

North Korea established ties with Australia in 1974 but cut off relations unilaterally a year later, when Australia spoke in support of South Korea at the U.N. General Assembly.

North Korea set up relations with Malaysia in 1973 and with Indonesia in 1964.

Joint Fisheries Project With North Planned

SK1210063191 Seoul YONHAP in English 0506 GMT 12 Oct 91

[Text] Seoul, Oct. 12 (YONHAP)—South Korea will propose to North Korea a joint project to raise salmon in rivers on the east coast of North Korea, the fisheries administration said Saturday.

The administration plan calls for South and North Korea to exchange technology and data on salmon and to build a hatchery capable of raising 15 million fingerlings a year in the Namkang River bordering the south on the east coast.

It also calls for joint Korean admission to international marine and fisheries treaties for joint fishing diplomacy, and proposes joint surveys of salmon migratory routes and potential salmon resources.

North Korea has 38 rivers and streams flowing into the East Sea and they are better for raising salmon fry and discharging them into the sea as they are deeper, wider and longer than South Korea's rivers and streams and closer to the North Pacific and Bering Sea, administration officials said.

They are also cooler, which is good for salmon, they said.

Use of Joint North-South Textbooks Recommended

SK1710064891 Seoul YONHAP in English 0207 GMT 17 Oct 91

[Text] Seoul, Oct. 17 (YONHAP)—The presidential advisory board on education recommended Thursday that the government promote a joint compilation with North Korea of school textbooks and a Korean dictionary that could be used both in South and North Korea.

The board also recommended the joint establishment of a cultural center and "peace university" for South and North Korean students in order to step up cultural exchanges.

The recommendations were contained in a report submitted to President No Tae-u on Thursday. It also proposed that the government set up a college of foreign language studies and other foreign language institutes and train personnel for the specialized agencies of the United Nations.

The board urged the government to scrap the collection of school supporting fees currently levied at primary schools in Seoul and five other large cities. The collection of such fees was said to have totaled 23,500 million won in 1990.

The board also proposed that the government work to institute a compulsory education on the high-school level by the year 2002.

Article Views Pursuit of Nuclear Capability

SK0710144291 Seoul WOLGAN CHOSON in Korean Oct 91 pp 222-237

[Article by Yu Yong-won: "Korea Must Obtain Nuclear Armament Capability"]

[Text] **Secret Plans Promoted Since 1983**

"Nuclear and atomic power." The former has been recognized as a formidable weapon of destruction leading mankind to its own annihilation. The latter is viewed as an eternally burning lamp capable of replacing fossil fuels. In spite of these differing views, the roots of nuclear and atomic power are the same. Just as the above two can be easily interchanged, both of them can also, without any difficulty, easily be diverted for other purposes.

There is currently serious debate in this country concerning this duplicitous "Janus-faced monster." This debate does not concern North Korea's nuclear development, which has become a subject of international concern. Nor does it surround the issue of removal of the nuclear weapons belonging to the U.S. Forces Korea [USFK]. Instead, secret yet serious consideration is being given to whether or not our country should acquire the so-called nuclear option, which calls for developing our nuclear technology to a level that would allow for the production of nuclear weapons should we later decide we need them for an emergency.

This is not a simple military, economic, or scientific issue: It is an important and sensitive issue of a diplomatic nature directly linked to our nation's international relations and prestige. It will also become an issue for our entire people following unification.

On 18 August 1989, then-minister of national defense Yi Sang-hun had a thick report placed on his desk that had come up from the Joint Chiefs of Staff [JCS]. The report was titled the XXX Plan, and it concerned Korea's nuclear policy. Although the top secret contents cannot be precisely known, it is known that the report pointed out the fact that our country lacks its own nuclear policy, discussing the need for obtaining the potential to arm ourselves with nuclear weapons and what means can be used to achieve this objective.

The roots of the XXX Plan go back to 1983. In September 1983, then-JCS Chairman Yi Ki-paek provided a verbal report to president Chon Tu-hwan on Korea's nuclear policy. It is known to have been a theoretical overview lacking any concrete content.

This course continues today, with the nuclear issue being raised by Defense Minister Yi Chong-ku in a report to President No Tae-u before his visit to the United States (June 1991). At this meeting, Yid raise the question by asking No, "Don't we need our own nuclear policy?" No cut off Yi, saying, "I also have my own feelings concerning that."

The potential to produce nuclear weapons (the nuclear option) is also being discussed in connection with future defense strategy. The MND [Ministry of National Defense] and its subordinate research institutions are currently involved in active research on national defense strategy to cover the unification process and the post-unification era.

This name of this plan, the XX [as published] plan, implies a meaning of two unifying to become one while preparing for the 21st century. Although no definite content has been decided upon, one especially controversial issue is how we, following unification, will adjust our relations with the peripheral superpowers—the United States, Japan, China, and the Soviet Union.

Our relations with these peripheral countries will be adjusted according to myriad variables, such as the possibility of change in the ROK-U.S. security system or the possibility of establishing a Northeast Asia regional security system. No matter what the form, Korea must ensure that it is strong enough so that peripheral countries cannot ignore us, allowing Korea to survive in the midst of these four superpowers. Advocacy of the nuclear option as one form of power by which to accomplish this goal is included in the XX plan.

Such moves are not limited to the policy level. A treatise on Korea's nuclear policy is currently receiving attention. Senior researchers of the Korea Institute for Defense Analysis (KIDA), Kim Tae-u and Kim Min-sok, contributed an article to the September 1991 issue of PUKHAN YONGU [North Korea Research] (published by the Taeryuk Research Institute) entitled "Nuclear Weapons on the Korean Peninsula and Japan's Nuclear Policy."

Lack of Enrichment, Reprocessing Technology

These two insist that the NPT (Nonproliferation Treaty) and the IAEA (International Atomic Energy Agency) are egocentric systems established by the nuclear superpowers to protect their own vested interests. With Japan currently capable of producing nuclear weapons immediately if it decides to do so, the two Kims insist that we too must awaken to international political reality and firmly establish a realpolitik of independent nuclear capability.

These tangible and intangible moves centered around military issues also have no small number of sympathizers within the military itself. One officer who requested anonymity stated, "I am not suggesting that nuclear weapons be produced, merely that we obtain the 'capability' to do so. Is this necessarily a moral issue? The potentiality to arm ourselves with nuclear weapons is needed as a check on peripheral superpowers in the post-unification era more than as a deterrence against the North."

Advocates of developing a nuclear armament capability emphasize, "Under the current situation, the most foolish choice we could make is to develop nuclear weapons in response to North Korea's nuclear development." They emphasize that we should focus on "development of potential and peaceful use."

In order to produce nuclear weapons, a significant degree of science and technology is needed. This technology is closely related to atomic power development. That is because once the technology for the nuclear fuel cycle of atomic power generation is completed, to include refinement, conversion, enrichment, formative processing, and reprocessing, a country is judged to be capable of producing nuclear weapons. The nuclear fuel cycle refers to the process of extracting natural uranium ore from uranium mines and then refining, converting, enriching, and re-refining the ore to manufacture nuclear fuel. Once this fuel has been burned in the reactor, the spent nuclear fuel is stored and either reprocessed or discarded.

Those processes in the nuclear fuel cycle that are directly connected with nuclear weapons production are enrichment and reprocessing. There are two ways to produce nuclear weapons. One is to highly enrich uranium to purity levels above 96 percent (that used in power generation is 3 to 4 percent enriched) and using this highly enriched uranium to produce nuclear bombs. The other method is to take the spent nuclear fuel that has been used in the reactors and extracting plutonium from it through reprocessing, making nuclear bombs with this plutonium.

Nuclear bombs produced from enriched uranium are called uranium bombs, while those containing over 99 percent plutonium from reprocessing are called plutonium bombs. It was a uranium bomb that was dropped on Hiroshima, while a plutonium bomb was dropped on Nagasaki.

Our country has attained localization of nearly all technology within the nuclear fuel cycle with the exception of only the enrichment and reprocessing processes. This resulted from the tenacious pursuit of a policy to obtain self-sufficiency in atomic power technology in spite of restraints and pressure placed upon us by the United States. In sectors other than enrichment [illegible] reprocessing, Korea has achieved a 50 to 100 percent level of technology self-sufficiency, while in the case of enrichment and reprocessing that level is currently 0 percent. This is similar to having the two main arteries most important in blood circulation blocked, preventing the proper circulation of blood throughout the body.

Ever since the importation of reprocessing facilities from France was thwarted in 1976, enrichment and reprocessing have remained as obstacles, difficult but nonetheless necessary to overcome. Recently, efforts to surmount these obstacles have been carried out silently.

Officials of an unnamed industrial group and atomic power experts formed a team that visited the Soviet Union in the summer of 1990. They had the opportunity to visit Soviet nuclear research facilities and factories where nuclear materials are produced. Their visit was in response to an unofficial request from the Soviet Government to evaluate the possibilities of commercialization of Soviet atomic power technology.

At the time, the team found it difficult to even imagine such an experience in the United States or Europe. They were able to go into uranium enrichment and reprocessing facilities and view each and every aspect of the process. The United States, of course, and even Europe, which is amenable to technology transfer and inspection of facilities, do not open their enrichment and reprocessing facilities to the public.

The team even toured the Tubuna nuclear facility located some 100 kilometers west of Moscow. Tubuna has become synonymous with Soviet nuclear research facilities. Over 100 individuals involved in North Korea's nuclear research, a major subject of attention recently, are known to have come from this institute. It is surmised that there are some North Korean students studying there even now.

One official who toured this facility as a member of the team that visited the Soviet Union said that he felt two contradictory feelings concerning North Korea's nuclear development.

"It appeared as though there was no core technology related to nuclear development located at the Tubuna facility. One Soviet expert at the facility responded pessimistically when asked how he viewed North Korea's nuclear development. North Korea has been occasionally asking the Tubuna research institute questions, he noted, saying that the level at which they have been asking has not been high.

"On the other hand, the Soviet Union has a very conducive environment for North Korea's nuclear development. They are open enough to the point that they would even show us their enrichment and reprocessing facilities. The Tubuna facilities were also like that. It seems as though as long as one is determined, then any amount of nuclear technology can be extracted from there."

Agreement With Soviets on Laser Enrichment Method

The team was also able to confirm the possibility of joint ROK- USSR research on uranium enrichment technology. They exchanged opinions on the possibility of cooperation in research and development of laser enrichment methods, state-of-the-art enrichment technology that developed countries such as the United States have either finished developing or are developing at this time.

Our side showed interest in atomic vapor laser induced separation (AVLIS), a technology that uses copper laser beams. The Soviets have finished research in this area recently and are currently constructing a commercial-use facility for this purpose. The Korea Atomic Energy Research Institute [KAERI] is known to be pursuing joint development of enrichment methods with the Soviet Union.

Aside from enrichment methods utilizing laser beams, there is also molecular vapor laser induced separation (MVLIS) which utilizes carbon dioxide lasers.

Laser enrichment methods have many advantages over existing methods. Gas diffusion and centrifugal separation methods are typical of existing enrichment methods. Gas diffusion is a primitive technology developed in the early stages of nuclear power that requires a process exceeding 3000 steps to obtain highly enriched uranium over 90 percent of which can be used in making nuclear weapons. Because of this complex process, it also consumes a large amount of power.

Centrifugal separation only requires a 30-some-step process to highly enrich uranium above the 90 percent level, significantly fewer than the gas diffusion method. Even so, since a large number of centrifugal separators (running in the hundreds to thousands) are required, the facility must be large and a great deal of energy is consumed.

In contrast, laser enrichment methods require only a few laser beams (theoretically, just one shot) in order to obtain highly enriched uranium over 90 percent. Large facilities are not needed and a large amount of energy is not consumed, making it highly economical. One particularly attractive point of laser enrichment facilities for developing countries with ambitions for nuclear development is that it allows for secret enrichment of uranium in small facilities.

The controls on laser enrichment technology exercised by developed countries are stiff in proportion to the advantages this technology affords in uranium enrichment. Although our country has had an interest in this technology for the peaceful atomic energy industry, we have not been able to actively develop it.

KAERI has been conducting multi-faceted basic research concerning the use of lasers in the atomic power industry since 1984. In 1986 they developed remote nuclear fuel processing technology utilizing lasers, and since 1988 have been investing 200 to 300 million won annually in research on atomic spectroscopy utilizing lasers.

In the book *The Thirty-Year History of KAERI* published last year, it is written: "Research and development on various equipment related to lasers is under way with the objective of increasing the power, repetitiveness, and resolution of lasers centering on copper vapor, solid, and pigmentary lasers." Among these, copper vapor lasers can be used in the atomic vapor laser induced enrichment process.

The Ministry of Trade and Industry [MTI] published the "MTI's Second Development Products List" on 1 August 1991. This publication has gained attention since it contained items directly connected to uranium enrichment to include an ultra-high speed centrifugal separator. This centrifugal separator is capable of 60,000 revolutions per minute, and can be used in uranium enrichment.

Long-Cherished Desire of the Atomic Power World—Reprocessing

Products targeted for inclusion in the "MTI's Development Products List" are agreed upon by agencies including the MTI and the Ministry of Science and Technology [MOST] with the objective of fostering the growth of state-of-the-art and basic science while developing industrial technology. After the list is announced, the MTI receives the proposed development and mass-production plans from various companies and selects companies based on the possibility of localization and commercial production. Selected companies receive various types of capital assistance benefits. In cases where the development period is short, development can take around one year.

Just as garbage can be recycled, reprocessing is both economical and important in that it extracts reusable nuclear fuel from spent nuclear fuel that has already been burned in the reactor. However, since this technology allows for the production of nuclear weapons more easily than the enrichment-based method, Korea has been tightly constrained in this area by developed countries such as the United States. Spent nuclear fuel from not only military and research reactors but also from commercial-use reactors can all be used in the production of nuclear weapons once reprocessed. The only difference is that spent fuel from power generating reactors, with a higher relative content of impurities than fuel obtained from military or experimental reactors, is not easy to reprocess.

The cost of constructing a plutonium reprocessing facility for the reprocessing of around 10 tons of spent nuclear fuel annually is 100 million dollars, relatively inexpensive (facilities for the production of enriched uranium cost 20 billion dollars). The technology is not that difficult either, with some eight countries currently conducting reprocessing operations. This is another advantage of reprocessing that has enticed North Korea to attempt to produce plutonium bombs using the Yongbyon reprocessing facility.

Scientific technicians involved in the atomic energy field are raising their voices in unison calling for obtaining reprocessing technology under the preconditions that it will be used for peaceful purposes. These calls come in spite of the possibility that it could be used strictly for nuclear weapons as well as in spite of the subsequent checks placed on this technology by the developed countries. Choe Yong-myong, chairman of the 21st Century Committee, is also the chief of KAERI's atomic energy technology policy research office. At a meeting of the 21st Century Committee held on 27 February 1991, Choe made the following assertion:

"The nuclear fuel cycle is one area that we must carefully consider, and one of the key technologies of that cycle is enrichment technology. However, rather than interpreting enrichment technology as something we must obtain without fail, we must work instead to create an environment in which we are able to conduct enrichment operations at any time once we have decided we intend to.

"On the other hand, all possible diplomatic efforts must be used to obtain self-sufficiency in the area of reprocessing technology, since it is a field of the nuclear fuel cycle essential to our furnace-style strategy and nuclear fuel development."

We suffer great losses by being unable to reprocess. First, since we are unable to use spent nuclear fuel, we need to import that much more uranium. Also there are the additional problems of storage and cost incurred in having to store the spent nuclear fuel. Looking at the Anmyon Island incident that erupted due to the issue of a radioactive waste storage facility, it is apparent that in some aspects this incident arose due to our inability to reprocess. By the mid-1990s, our spent nuclear fuel storage facilities located within the generating plants will reach their saturation point.

Reprocessing becomes even more important to future atomic power development. High-speed breeder reactors are in the spotlight as next-generation reactors that can maximize use of nuclear fuel. These reactors require compound nuclear fuels, and reprocessing facilities are essential to the manufacture of these fuels. High-speed breeder reactors are the most efficient energy source before nuclear fission is achieved. As such, countries such as France, the United States, Japan, and the Soviet Union are hurrying towards commercializing this technology. With the reactors currently in operation, all the earth's uranium will run out in 52 years; however, if high-speed breeder reactors are used, the supply of uranium will be extended for 3,000 years.

Rumor of Nuclear Weapons Production, Deployment in 10 Years

Circulating nuclear fuel (tandem nuclear fuel cycle) technology is also one area necessary for reprocessing. This method coprocesses the spent nuclear fuel derived from light-water reactors and turns it into fuel that can be used in heavy nuclear reactors. Coprocessing is different from reprocessing in that it does not separate plutonium from spent nuclear fuel and it reduces the concentration of uranium 235 to 0.9 to 0.7 percent.

Circulating nuclear fuel technology can be termed absolutely necessary to us, the only country in the world that possesses both heavy and light water reactors. Even though there is virtually no possibility of military use since this method is unable to separate plutonium, our efforts to develop this technology have been frustrated by pressure from the United States.

Agreeing on the economy of circulating nuclear fuel technology, a joint feasibility study was begun in 1982 between KAERI and Canada's Atomic Energy Corporation Limited (AECL). This research even advanced to the point where an agreement was made to pursue second-stage joint research in December 1983; however, the United States stepped in.

When the United States and Canada agreed on atomic energy cooperation in May 1984, the United States requested that Canada terminate the joint research that they were conducting with us. Canada then notified us of their intention to terminate. The next month, the United States officially requested to us that we terminate this research, and the research was stopped. This was the second time we tasted bitter disappointment at the hands of the United States, the first being in 1976 when importation of French reprocessing facilities was frustrated by the United States. Our atomic energy officials point out that these U.S. actions are not simply carried out because of international politics or moral reasons: Economic interests also played a large role, with the United States worrying about Korea eating away at their own nuclear fuel market.

How far has our country's potential for nuclear weapons development come, given that we lack enrichment and reprocessing technology? Have we really still failed to abandon our desire to develop nuclear weapons to such an extent that the United States continues to cast a suspicious eye upon us?

There have been many instances of analysis or news reports stating that Korea is a potential nuclear power that will be able to possess nuclear weapons within a few years. In 1977, the NEW YORK TIMES reported that Korea, together with Argentina, Brazil, and the Netherlands, were countries that required four to six years to develop nuclear weapons.

William Porter's 1982 work entitled *Nuclear Power and Non- Proliferation*, drew attention with his presentation of a "nuclear armament capability ladder." On this ladder, atomic power basic design and production technology were on the lowest rung, while nuclear weapons command and control systems were on the eighth and highest rung of this ladder. Korea was judged to be on the second rung, with a reactor in operation at the time. This is interpreted to be a deterrent rather than spur for Korea's developing nuclear weapons. It was estimated that Argentina, Brazil, and Taiwan, being one step above Korea, had obtained nuclear fission material (enriched uranium and plutonium).

President Pak's Memorandum Abandoning Nuclear Development

In 1985, the WASHINGTON POST reported that there were no apparant indications that Korea was spurring its efforts to obtain the capability to produce nuclear weapons. This differed from its earlier estimations warning of Korea's potential nuclearization.

More concrete analysis on the nuclear armament of Korea emerged in 1987. The U.S. Army's National Defense College Institute for Strategic Studies in their report **The World in 2010 A.D.** classified Korea as part of a "group capable of possessing under 500 nuclear weapons" by the year 2010. Included in this category were North Korea, Japan, West Germany, and Taiwan.

All of these analyses and reports came from overseas. There has been no publicized self-evaluation of our potential nuclear capabilities, an evaluation that would be necessary for us to produce nuclear weapons. According to one recent secret analysis, 10 years would be required for us to make and deploy nuclear weapons given our current level of technology. There are also some of the opinion that this could take a shorter amount of time, around seven to eight years. Since both of these figures include time for deployment, the amount of time needed to actually manufacture nuclear weapons will be even less.

There are probably those who harbor suspicions of the above analysis, believing that it will take a longer amount of time. Even though nuclear development was frustrated during the President Pak era, one tilts one's head and ponders whether the manpower, facilities, and technology of that time cannot be used now. . .

In the course of gathering this story, attempts were made to locate the departed souls of the 1970s' nuclear development; however, it was not easy. Each of the scientific technicians who participated in development at that time have gone their separate ways, and those in charge of nuclear development who

Through an interview with one official who was deeply involved in nuclear development at that time, I managed to uncover several new facts. One of them was that President Pak went as far as to draft a memorandum to abandon nuclear development.

"U.S. pressure to abandon our nuclear development reached its zenith around 1977. At the time, President Pak drafted a document stating, 'We will not develop nuclear weapons as a matter of state policy.' After showing this document to an extremely small number of officials including the defense minister, he told them, 'Be aware of this.'

"Although the defense minister was persuaded, the president did not waver in his determination. Afterwards, this document was classified as a state secret and kept in a safe in the president's office. After President Pak died as a result of the October 26th Incident, this document was passed on to his successor, President Choe Kyu-ha."

This is the first confirmation that President Pak's abandonment of nuclear development had actually even been documented. The interviewee refused any additional comment on the subject, so the objective of President Pak's drafting of such a document, and whether it is a simple domestic document or one with international validity, is not clear. The interviewee also admitted that the objective of the Wolsong heavy water reactor imported from Canada was for manufacturing nuclear weapons. Heavy water reactors, since they exchange their spent nuclear fuel daily, make the secret hoarding of plutonium easy.

Capability To Produce 75 to 90 Plutonium Bombs Annually

It is still not possible to know precisely how far our nuclear development had progressed at that time. Officials responsible for nuclear development need to break their silence in order for precise details of nuclear development to become known. Although there is fragmented testimony from those who participated in nuclear development, since compartmented development was conducted under extreme secrecy, only a general outline is known.

Regardless of how far nuclear development had advanced at that time, general consensus is that this program would be of little help to today's development of nuclear potential.

Although it is true that the technology amassed during this research was useful in developing Korea's atomic energy technology, there is no real practical use for the old technology any more since so much new technology has emerged since then.

Currently our country is the 10th atomic power country in the world, with nine active atomic power plants in operation. Among these, only one is heavy water while the remaining eight are all light water reactors. These reactors discharge spent fuel containing 480 to 540 kilograms of plutonium annually. This is enough plutonium to produce 75 to 90 20-kiloton-class atomic bombs (equivalent to 20,000 tons of TNT), similar to the bomb dropped on Hiroshima.

Even after nuclear development was frustrated, the flame of our long-cherished desire to achieve localization of atomic energy technology—for peaceful purposes, of course—has been kept burning. The reprocessor project that the United States had been most sensitive about has been replaced by the pursuit of facilities for uranium refining and transforming, post-irradiation testing, and radioactive waste treatment facilities. With the use of the term reprocessing regarded as taboo, this project is called the chemical processing alternative plan as well as the French loan project.

In the 1980s, the highest priority task being pursued was the localizations of nuclear fuel. Using nuclear fuel processing test facilities imported with French loans, KAERI succeeded in developing nuclear fuel for heavy water reactors in 1986. Since 1987, this has provided all the nuclear fuel consumed by the Wolsong heavy water reactor. Development for light water reactor fuel has been under way since 1985. The development of new nuclear fuel to be used in reactors is currently at a stage where final design has been finished.

Responsibilities were allocated among the 16 agencies involved in atomic energy development in 1985 in order to eliminate duplicate investment and to make the pursuit of efficient projects possible. Korea Electric Power Company [KEPCO] took responsibility for overall project administration; KAERI took power generating reactor systems and nuclear fuel design; Korea Energy Technology was given systems design of auxiliary equipment; the Energy Research Institute was assigned nuclear vapor systems and design of nuclear fuel; the Korean Nuclear Fuel Company was put in charge of manufacturing nuclear fuel; and Korea Heavy Industries Company [KHIC] was tasked with design and manufacture of power generating reactor systems and auxiliary equipment.

As a result of these efforts, by 1988 self-sufficiency levels of technology were raised to their current levels of 66 percent in nuclear fuel production (formative processing), 57 percent in materials production, and 71 percent in design engineering.

Within the reactor field, self-sufficiency levels are 70 percent for systems analysis, 50 percent for reactor production, 75 percent for reactor construction design, and 100 percent for operation. By 1996, when the Yongkwang number three and number four reactors are completed—the first to be produced with the joint design of major contracting companies—it is expected that these rates of self-sufficiency will markedly increase. At this time, independent design of the most complex and difficult to build reactor will be possible.

Need To Clarify Peaceful Usage

Although lacking enrichment and reprocessing technology is similar to having no toenails or teeth, there is one facility that the United States is paying particularly close attention to. This is the post-irradiation test facility located within KAERI. This facility takes the spent nuclear fuel from the Kori atomic power plant and measures the fitness of the reactor and nuclear fuel by inspecting and comparing such items as combustibility state, fuel transformation, design feasibility, and actual combustibility.

This facility, which has been in full operation since 1987, alarms the United States in two aspects. One is that it is the only place where spent nuclear fuel is carried outside of the atomic power plant. Another reason is that the technology amassed in operating this facility is applicable to reprocessing. Because of this, the United States has placed restrictions such that even after conducting various tests and inspections, the fragments that come out from the facility are gathered for accountability.

The United States is also closely watching the KMRR (Korea multi- purpose research reactor) currently under construction. The KMRR has long been a pet project of scientific technicians, with the Trigger Mark II and III research reactors aging. This was jointly developed with Canada's AECL. With a total budget of 80 billion won, its planned completion is the end of 1992. Like North Korea's Number Two research reactor, it is a 30 megawatt reactor that uses 20 percent enriched uranium. Since the KMRR is capable of being remodelled in time of emergency to be a plutonium-producing reactor, it is drawing the attention of the United States.

Scientific technicians dedicated to the field of atomic energy emphasized that it would be absolutely impossible for our country to secretly develop nuclear weapons, even if we obtain sensitive technology (enrichment and reprocessing facilities).

Since we undergo thorough observation by the IAEA, not only is it impossible to extract nuclear material, but secret facilities can not be built. Additionally, unlike the President Pak era, secret organizational administration is impossible. Another item important in nuclear development is the willpower of the state leadership. The question that must be asked then is does our leadership really have the determination to pursue nuclear development?

Therefore these scientists insist that we must work more actively to secure this sensitive technology openly and fairly. As a precondition for this, they claim, a unanimous voice is necessary.

In other words, "clarification" by our national leaders that "our atomic energy will be used for peaceful purposes and nuclear weapons will not be made" is needed. Although the piercing glare of the United States has softened as a result of efforts over the past 10- plus years, it is generally believed that U.S. distrust of our nuclear intentions has not disappeared due to reasons such as the continuing North-South confrontation. Atomic energy scientists and technicians are hopeful that clarification of our position by our leadership can form the basis for completion of the nuclear fuel cycle.

In this regard, these scientists are expressing their concern over the theory recently being presented by some corners of the military advocating development of nuclear armament potential. The scientists point out that no matter how much these advocates of nuclear armament potential emphasize that it is only potential to arm that they are calling for, overseas observers will only think of the military aspects since these calls are originating from within the ROK military. They will therefore be immediately suspicious. It is highly probable, the scientists claim, that this will only aggravate the situation.

Concerns of "Aggravating the Situation"

One expert who was deeply involved in atomic energy policy stated, "In spite of many worries, we are headed in the direction of completing the nuclear fuel cycle. Rather than pursuing completion of the nuclear fuel cycle amidst great hoopla, it is more effective to have an organic synthesis of academia, research institutes, and industry steadily accumulating technology by sector."

One former high-level bureaucrat of the MOST also revealed that there were many instances where he received suggestions concerning the localization of atomic energy technology while travelling around atomic energy related institutions overseas.

"Europe in any case is more amenable to atomic energy technology transfer than the United States is. When I went to one company in France, this is what the cadre there told me:

"'There are many instances where we would like to provide technology, but are unable to do so due to international conditions. It would be less of a burden for us for a researcher from your Agency for Defense Development or a researcher for a civilian company comes asking for the same exact technology.'

"Although it seems like a simple problem of technique, I got the impression that it was an important distinction."

Advocates of developing a nuclear armament potential, even while admitting such responses exist, retort that we must look at reality. Sure it would be good to quietly accumulate technology by sector similar to the way Japan did, and complete the nuclear fuel cycle. But, they ask, can we really actively pursue atomic energy technology development in our current situation?

One expert on nuclear affairs asserted:

"If we intend to carry out basic research by sector such as academia and research institutes, we need an efficient control and guidance agency, national will, and a budget. However, the current reality does not allow for that. Not only is our research budget small, there is no organization that can forcefully pursue such development. This is because basically the government's determination to pursue this is weak."

He added, "We must therefore attempt to form a consensus through public debate and actively pursue development as a matter of state policy, even if it is a somewhat sensitive proposal."

Those who advocate development of nuclear capability point to the cold realities of international politics as well as the internal contradictions of the nuclear nonproliferation system. No matter how dominant the mood of reconciliation may be in the current era, the reality is that "power" continues to dominate the international stage. Even while the nuclear superpowers have formed control organizations such as the NPT [Nuclear Nonproliferation Treaty] to block nuclear armament within the Third World, they themselves have increased the numbers and capabilities of their own nuclear inventory.

There is not a lack of points on which advocates of developing nuclear potentional and international political scientists share a consensus. Professor Ha Yong-son of Seoul National University [SNU] in his 1983 book entitled *Nuclear Proliferation, World Order, and Korea*, pointed to the negative side effects of the nuclear proliferation control system. He asserted that a more decentralized and diverse world security and political system is necessary in order to begin to solve the nuclear proliferation problem.

Currently, however, the control of the superpowers over nuclear proliferation is instead getting stronger.

Nuclear System Centered Around Superpowers

A U.S. delegation related to atomic energy visited Korea at the peak of the Gulf war on 7 February 1991. They came to consult with Korea over a new set of atomic energy export control directives and product lists. This plan, entitled "Directives for the Transfer of Nuclear-Related Equipment, Materials, and Technology," is alarming Korean atomic energy officials in that it increases the number of items targeted for export controls.

This plan is being jointly pursued by the United States, Japan, and the EC since last year as concern increased over the relaxation of Cocom [Coordinating Committee for Multilateral Export Controls] export controls. They have found good justification in the recent nuclear development programs of Iraq and North Korea and appear ready to pursue this at a rapid rate.

There was no small number of Korean international political scholars in the 1970s who advocated that we should secure the nuclear option. Professor Yi Ho-chae of Koryo University publicly raised the Korean nuclear policy issue during the mid-1970s when nuclear debate was taboo. In 1977, Professor Yi in a thesis entitled "Directions for Independent National Defense and Diplomacy," caused a stir when he called for nuclear power development which inferred nuclear weapons potential.

At the time, his point was misconstrued and reported as though he was saying that Korea must immediately arm itself with nuclear weapons. In his 1981 work Yi reveals, "At that time, I certainly did not advocate Korea's nuclear armament. I simply raised the nuclear debate, a debate that is necessary for us to develop a Korean nuclear policy centered around our own interests."

SNU Professor Ha Yong-son in his work quoted above revealed his positive attitude toward securing a nuclear potential by stating, "The potential nuclearization of Korea is not something that will inflict decisive harm on the stability of the world order. It is something that will have the effect of equalizing the United States alliance system within the Northeast Asian region by causing a change in the world-wide and regional deterrence system the United States has maintained until now."

The international political scientist Kaplan proposed a unit veto international system in the mid-1950s in which every country in the world would possess nuclear weapons and hold veto power. This was a radical model that viewed international politics as a state of conflict (Hobbesian) with war where every man against every other man.

According to this opinion and view, the nuclear option is something that is necessary and justified. However, these are opinions from 10 to 30 years ago; international politics has changed considerably since then. Since the mid-1980s, the arms reduction atmosphere has heightened with the INF (Intermediate-range Nuclear Forces) and START (Strategic Arms Reduction Talks) based on a spirit of reconciliation between the United States and the Soviet Union. Within dynamic international relations, the relative importance and role of military power is shrinking.

Japan As Primary Potential Enemy

In spite of this, the defense policy for the unification period best represented by the XX [as published] plan referred to above emphasizes the importance of military power in the post-unification era as well as the necessity for a variety of strategic weapons to restrain peripheral powers. Among the strategic weapons known to be under consideration are the nuclear option, the medium-range ballistic missile (range 200 to 1000 kilometers), and a strategic early warning system.

Like a porcupine's needles, these weapons would prevent other countries from easily challenging us. They are necessary to remind potential adversaries that we are capable of dealing them a great blow should they attack us.

The point within the XX [as published] plan that is drawing so much attention is the establishment of relations with the superpowers, particularly Japan. With the North Korean military threat reduced or eliminated in the unification process or after unification, our national defense strategy must redefine its targets as being the peripheral countries around us.

The problem here lies in deciding the most dangerous threat to us; that is, our number one potential enemy. This is because operational tactics, manpower deployment, and weapons systems will change depending on which country is chosen.

There are some who would criticize that choosing a potential enemy is in itself an irrational and cold way of thinking. However, the dominant assertion is that at this point in time, Japan must be judged as our number one potential enemy. In particular, when the ROK-U.S. alliance disappears and equidistant diplomacy with each of the four peripheral superpowers is pursued, the threat from Japan is assessed as being the highest.

The fact that Japan currently possesses the nuclear option is the primary impetus for us to have the nuclear option as well. Japan, as the world's fourth atomic energy country, is able to produce nuclear weapons whenever it wishes since it has the technology for enrichment and reprocessing facilities. Japan is also actively pursuing next-generation technology development such as high-speed breeder reactors, nuclear fission, and laser enrichment.

There are also some who fear what will happen when Japan combines these capabilities with its world-level aerospace and electronics industries. In the thesis mentioned above by Kim Tae-u and others, they warn that Japan long ago crossed the threshold of being a non-nuclear country. Even though they currently espouse the three principles of non-nuclearization, when their current potential meshes with their "policy for becoming a major country" and their recent "right-face syndrome," there is a danger of Japan becoming a nuclear superpower as well.

It is a widely known fact that Japan views North-South Korean unification negatively. It is an openly known secret that Korea is regarded as Japan's fourth potential enemy behind the Soviet Union, North Korea, and China.

Those who oppose securing the nuclear option and placing Japan as our number one potential enemy have a formidable counter-argument. One university professor well-versed in nuclear affairs clarified his position of opposing the nuclear option.

Theory of Unnecessity of Nuclear Potential

"One must bear in mind not only changes in the Korean peninsula but changes in the political situation in Northeast Asia as well. Within a changed Northeast Asian environment, politics, economics, and science and technology will have a greater influence than military means in the future.

"Accordingly, we must give higher priority to political and diplomatic power in our national strategy than military power. Although a minimal amount of military power sufficient for defense is necessary, I believe there would be greater disadvantages than advantages in securing the nuclear option. It will unnecessarily incite peripheral countries, so what benefit could it be to us?

"Although clarification of the peaceful use of atomic energy by our leaders and completion of the nuclear fuel cycle is desirable within the atomic energy field, it is questionable whether the superpowers would believe our leadership when they make such a pronouncement given the continued confrontational state between North and South. I think that since our state resources are limited, we must redirect our priorities to the economic and political sectors rather than on completion of the nuclear fuel cycle."

Currently, the relative weight of atomic power in Korea's energy supply is great. It accounts for 13.3 percent (in 1988) of domestic energy demand right behind petroleum, bituminous coal, and anthracite coal. This rate is expected to rise to 16.8 percent by 2016. The relative weight of atomic energy in electric power supply is even greater. Atomic energy accounted for 46.9 percent of the total amount of energy generated in 1988 (nuclear facilities have 33.4 percent of total generating capacity) and by 1999, that figure is expected to rise to 50.3 percent.

In August 1990, MOST published an in-depth research report that will become the framework for the future of atomic energy. KAERI drafted the report as a special research development project of MOST. This "In-depth Investigative Research for Strategic Development of Atomic Power and Technology" is a massive work of over 1,500 pages produced by dozens of researchers with the advice of experts in the field.

In the report, it is written that atomic energy development at the science, technology, and energy levels is necessary, and that reinforcement of atomic energy policy functions, establishment of a self-sufficient system for atomic energy technology, propagation of atomic power diplomacy, and the formation of a national consensus concerning atomic power is necessary for the sake of establishing a rational long-term atomic energy development strategy.

This report also describes a project plan for the priority promotion by sector of technology related to the nuclear fuel cycle, radioactive waste management, and atomic power safety. Within the reactor technology sector, Korea is to independently develop a 150 megawatt E-class [as published in English] high-speed breeder reactor by 2010 as well as an improved-model light water reactor and new-model safety reactor.

Within the nuclear fuel cycle technology sector as well, it is said that development is being actively pursued in the areas of circulating and compound nuclear fuel and laser spectroscopic technology. Research continues on circulating nuclear fuel, that had earlier been terminated due to U.S. pressure. A total of 46 billion won has been invested in this research. Basic research is to be completed this year, with development of commercial technology between 2007 and 2016. Plans also call for the development of compound nuclear fuel used in high-speed breeder reactors by the year 2016.

Laser spectroscopic technology is directly related to new nuclear fuel materials development as well as uranium enrichment. With a total investment of 161 billion won, completion of this project is expected by 2016.

There are still many mountains to be crossed before this ambitious plan can be realized. The most urgent matters are budget and manpower problems. The total budget dedicated last year to atomic energy related projects was 1.7 trillion won.

The budget of the quintessential research organ KAERI was 130 billion won in 1990; however, only 21 billion of this was government assistance. A good contrast to this is Japan, which revealed early this year that 1.8 trillion won of the science and technology ministry's budget would be invested in atomic power research.

As of 1989 there were some 15,000 individuals involved in research and technology development domestically. Of these, around 1,500 had doctorates. As of 1990, KAERI had 1,721 individuals (219 doctorates), less than the 3,500 of Japan's PNC (nuclear fuel cycle company) and the 2,400 of JAERI (Japan Atomic Energy Research Institute).

Independent Development of High-Speed Breeder Reactor

Coordinating opinions between offices concerning atomic energy policy and overcoming the problem of mistrust among the citizens toward atomic power are two other issues that must be dealt with. Atomic energy issues are currently handled by MOST together with the Ministry of Energy and Resources [MER]. MOST is the responsible office; however, since KEPCO, which constructs and operates atomic power plants, is subordinate to the MER, responsibilities are shared between the two ministries.

There is said to be frequent friction between the two ministries over budgetary matters. MOST is tasked with research and development, while the MER is entrusted with construction and operation of atomic power plants. MER controls the purse strings, while MOST attempts to secure as much money as possible for its operations.

The accidents at Chernobyl and Three Mile Island are two prime examples of atomic energy's safety problems. The safety problem causes a strong sense of crisis as well as opposition among the people. The Anmyon Island incident also provided a direct example of just how strong the people's distrust of atomic energy is. While admitting that atomic power is not perfect, atomic energy officials emphasize that they are working towards improving safety.

With it being so difficult to develop atomic energy technology on one's own, securing international cooperation and trust is also important. It is obvious that if the plan introduced above is pursued under the current circumstances, then developed nuclear countries to include the United States will apply the brakes.

Therefore it is necessary to clarify our intentions to continue to adhere to the agreement of the IAEA that we are currently following and to use atomic energy for only peaceful purposes. We must convince the international community of this fact as well.

This is where the need for so-called atomic energy diplomacy arises. The unequal ROK-U.S. atomic energy agreement is pointed to as one topic that must be solved though atomic energy diplomacy. Our side has been dissatisfied with this agreement since it stipulates that we must obtain prior approval from the United States on each and every item concerned with individual projects related to atomic energy.

In 1986, Japan revised the U.S.-Japan atomic energy agreement with a "comprehensive restriction clause," such that they became able to reprocess fuel without U.S. approval. The success of this atomic energy diplomacy is judged to be the result of tenacious efforts on the part of not only government but academia, politicians, the press, and industry as well.

It appears as though Korea's atomic energy program is at a stage where it must either leap over the barrier that blocks the path to the future or continue on contentedly. Internationally, an environment conducive to acquiring atomic energy technology has been created since the 1980s. It is a consumers' market with an excessive supply. No matter how lucrative the international environment may become, if we are not able to take advantage of it then it is of no use to us.

Only President Can Make Decision

Both atomic energy officials and those advocating development of nuclear potential are expressing their concern over the proposal for the denuclearization of the Korean peninsula that has been emerging so powerfully lately. This is because of the strong possibility that a denuclearization plan for the Korean peninsula will be accepted before our government has guaranteed that it will obtain permission from the United States to complete the nuclear fuel cycle. If so, completion of the nuclear fuel cycle will either become more remote or impossible altogether.

The theory of developing nuclear capability best exemplified by the XXX plan may indeed bring on the adverse side effects of worsening the situation, as many atomic energy officials are worrying. With denuclearization of the Korean peninsula being debated within the current international arms reduction mood, development of nuclear potential could appear as reactionary squirming. It is also true, however, that in reality the theory calling for nuclear potential has appropriateness as well. The theory's highlighting of the lack of a Korean nuclear policy and its urgent demand for establishing a policy also have their positive aspects. This may give impetus to our passive policy decision makers who for some time were unable to even use the term reprocessing out of concern about U.S. response.

One expert familiar with atomic energy and international political affairs emphasized the following cautious conclusion:

"Just as nuclear issues are not simply limited to military aspects, the question of developing nuclear potential is a complex and important issue that encompasses not only military but political, economic, diplomatic, and scientific and technological angles as well."

Accordingly, the people must recognize this issue not as someone else's problem but as one that is their own, a nation-state issue. They must draw up a profit-loss statement an calculate the advantages and disadvantages. Of course, the only person who can take this profit-loss state and make the final decision and determination is the president and the president alone.

Trade Deficit Close to $11 Billion

SK1710040591 Seoul YONHAP in English 0044 GMT 17 Oct 91

[Text] Seoul, Oct. 17 (YONHAP)—South Korea's runaway trade deficit widened Tuesday to 10.75 billion U.S. dollars on a customs clearance basis, the Trade and Industry Ministry said Thursday.

The nation had a shortfall of 1.11 billion dollars in the first half of October on exports of 2.17 billion dollars and imports of 3.29 billion dollars.

As of Tuesday, cumulative exports for the year were tallied at 53.04 billion dollars, up 10.8 percent, and imports at 63.79 billion dollars, up 22.8 percent.

Ministry officials said they expected the trade balance to improve from late this month, but the deficit would not come below the year's target of 8 billion dollars.

Textile Exports to Former Communist Nations Up

SK1710095591 Seoul YONHAP in English 0909 GMT 17 Oct 91

[Text] Seoul, Oct. 17 (YONHAP)—South Korea's exports of textiles to 10 current and former communist nations amounted to 306 million U.S. dollars in January-August, up 35.7 percent from the same period last year, the Korea Textile Industry Association (KTIA) said Thursday.

Six group members, the Soviet Union, China, Vietnam, Poland, Yugoslavia and Hungary, bought 97.1 percent of the textiles. China alone took 56.4 percent of the total, or 172 million dollars, KTIA said.

Exports to the Soviet Union dropped 29.4 percent to 40 million dollars and to Hungary 1.6 percent to 11 million dollars, but the drop was more than made up for by exports to Myanmar (Burma), Poland, China, Romania and Vietnam, KTIA said.

Exports of raw materials increased 20.2 percent to 77 million dollars, fabric exports soared 86.3 percent to 154 million dollars and finished textile goods were up 11.6 percent to 48 million dollars, but yarn exports dropped 25 percent to 26 million dollars, KTIA said.

Farmers Plan Strike Over Rice Purchase Price

SK1610032691 Seoul THE KOREA TIMES in English 16 Oct 91 p 3

[Text] The Korea Peasants League (KPL) will call a one-day suspension of rice harvesting Oct. 25 to press the government to purchase the crop at high prices and curb rice imports.

A spokesman for the farmers' body, better known as "Chonnong," said in a press conference that farmers will launch a "strike" across the nation to push their demands.

The walkout call came after the government tentatively set the increase in the rice price rate at 3-5 percent.

The KPL demanded that the government purchase an 80-kilogram sack of rice at 131,219 won, up 24 percent, and a 80-kilogram sack of low-quality "Tongil" rice at 108,945 won, up 10 percent.

The farmers organization also called on the government to repeal the ceiling on rice purchases set at six million "som" and purchase all rice harvested. One som is roughly 144 kilograms.

It plans to mount a fierce struggle by asking farmers to occupy almost all roads except for expressways and railroads to dry just- harvested rice from 10 a.m. to 4 p.m. on the strike day.

Farmers in Chollanam-to, Kangwon-to and Chungchongpuk-to will stage separate protest rallies in each region.

Group Seeks Preferential Treatment for Rice

SK1710035691 Seoul YONHAP in English 0118 GMT 17 Oct 91

[Text] Seoul, Oct. 17 (YONHAP)—Han Ho-sun, president of the National Agricultural Cooperative Federation (NACF), Wednesday asked Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade (GATT), to recognize rice as a non-trade concern [NTC] and give South Korea preferential treatment as a developing nation, an NACF spokesman said Thursday.

Han told Dunkel in Geneva that tariffication of rice and even partial opening of the rice market would jeopardize the survival of Korean farmers and he was absolutely against market opening in any form, the spokesman said.

Han told him that most Korean farmers grow rice and depend on it for their income.

As Korean agriculture was backward, Korea should be recognized as a developing nation and given a grace period to implement tariffication and slash subsidies, han was quoted as telling Dunkel.

Dunkel will reportedly submit a proposal soon to the Uruguay Round global trade talks to reject NTC's and introduce tariffication without exception.

Opposition Moves To Dismiss Economic Ministers

SK1710043691 Seoul THE KOREA TIMES in English 17 Oct 91 p 2

[Text] The opposition Democratic Party [DP] is moving to discredit the economic team led by Deputy Prime Minister Choe Kak- kyu.

In a meeting of DP lawmakers yesterday, the opposition party decided to introduce a motion to the National Assembly, recommending all economic ministers resign to take responsibility for the nation's economic woes.

The economic ministers whom the party plans to replace include Deputy-Premier Choe, Finance Minister Yi Yong-man, Trade and Industry Minister Yi Pong-so, Agriculture-Forestry-Fisheries Minister Cho Kyong-sik and Construction Minister Yi Chin-sol.

The opposition lawmakers argued that they should be held responsible for the deteriorating economy characterized by rising prices and snowballing trade deficits.

They also attacked the government for having provided bank loans to the Hanbo group in spite of the fact that Hanbo was responsible for a scandal involving the unlawful construction of apartments on a tract of land where such construction is banned.

Because of the scandal, two lawmakers and a Chongwadae staffer were jailed. The three were later released as their prison terms were suspended.

The opposition lawmakers also demanded that the government take into consideration the cost farmers incur in growing rice when fixing the price for this year's government purchases of the grain.

The government plans to buy rice at a price raised by less than 10 percent from last year's level while opposition lawmakers, joined by ruling party lawmakers, demand that the hike should be more than 10 percent to offset increased farming costs to say nothing of boosting the sagging morale of farmers because of the Uruguay Round talks.

Burma

Finance Minister Dismisses Nobel Peace Award

BK1710024191 Bangkok THE NATION in English 17 Oct 91 p A4

[Text] The Burmese Government has finally broken its silence on the Nobel Peace Prize awarded to detained Burmese opposition leader Aung San Suu Kyi on Monday. Its Planning and Finance Minister Brig Gen [Brigadier General] David Abel dismissed it by saying that the honour was given by just "a special institution."

The comment is the first official statement made by a senior Burmese official. Speaking upon arrival in Bangkok on Tuesday night to attend the World Bank/International Monetary Fund meeting here as head of the Burmese delegation, the minister's initial response was that he had "no reaction at all" to the honour bestowed on Suu Kyi.

"I don't feel anything at all... I just have no reaction at all," said Abel, also trade minister.

Questioned if the Nobel Prize signifies world support for the popular movement for democracy in Burma, Abel said the award "is not given by the international community, but by a special institution." He, however, accepted that it was "partly" recognized worldwide.

He added that he did not think the Nobel Prize award will force the Burmese junta State Law and Order Restoration Council (SLORC) to transfer power to elected MPs, saying that "expectations are one thing and realities are another" in Burma as the SLORC has had its own programme on stepping down.

Suu Kyi, 46, daughter of Burma's independence hero Aung San, was awarded the peace prize on Monday for her peaceful struggle to restore democracy to the country.

It is not known if Suu Kyi, who has been under house arrest since July 1989 without being officially charged and tried by the SLORC, has learnt about the award and would be allowed to travel to Oslo to receive the prize. She has flatly rejected the SLORC's offer for freedom on condition that she leaves the country to join her British husband, Michael Aris and their two sons.

Abel declined to comment if Aris would be permitted into Burma to hand over the award to his wife saying that it was still premature to say anything. He added that he did not know if there would be any celebration inside the country on the occasion, saying that it "will depend on the people."

On the World Bank/IMF meeting, the Burmese minister said he was to meet yesterday with World Bank President Lewis Preston, IMF Managing Director Michel Camdessus and other members of the board of governors. Burma, he said, would not make any appeal to the two financial institutions but said he might address the board of governors yesterday.

Commenting on the economic situation in Burma, Abel claimed that the economy was picking up, showing a "good growth rate." His statement contradicted diplomatic and Burmese residents' reports of rapid growth of inflation with drastic increases in price for basic commodities like rice.

Placing special emphasis on economic growth, the SLORC has also designated 1992 as the "Economic Year" aiming to boost "production and enhance economic growth and activities," said Abel, adding that the SLORC has set three years to achieve that goal.

Opposition Letter Refutes Military Regime's Rule

BK1710094291 Hong Kong AFP in English 0807 GMT 17 Oct 91

[Text] Bangkok, Oct 17 (AFP)—Burma's jungle-based parallel government has called on the World Bank to break off contact with the military regime's delegation attending the Bank's annual meeting here.

The National Coalition Government of the Union of Burma (NCGUB) said in an open letter to World Bank President Lewis Preston on Thursday that the delegation from Rangoon has no right to represent the country.

"The people attending your meeting purporting to be Burmese representatives do not have the mandate of the people and therefore have no right to speak for Burma," the NCGUB said.

The NCGUB was formed late last year by elected opposition politicans who fled a military crackdown to areas controlled by ethnic minority guerrillas in southeastern Burma, near the border with Thailand.

A delegation from Burma led by the military regime's minister of trade, David Abel, arrived in Bangkok for the World Bank meeting on Tuesday.

"We would like to impress upon you that rhetoric or no rhetoric, the military clique has no right to govern Burma...(and) we feel it would be most appropriate for you to refrain from giving aid to the military junta in any form, be it grants, loans or recognition," the letter said.

The NCGUB is made up of members of the main oppositon party, the National League for Democracy (NLD), who won seats in elections in May 1990 when the NLD gained more than 80 percent of the vote.

Aung San Suu Kyi, the head of the NLD, was awarded the Nobel Peace prize earlier this week.

The NCGUB also accused the ruling junta of diverting foreign aid donated to stop Burma's multi-million dollar heroin business.

"Anti-narcotics assistance... has been spent on weaponry and donated equipment..has been used in the military's campaigns against the ethnic people," the group said.

Rebels From Kachin Insurgent Group Surrender

BK1210083991 Rangoon Radio Burma in Burmese 1330 GMT 11 Oct 91

[Text] People belonging to the KIO [Kachin Independence Organization] terrorist insurgent organization who have come to realize their wrongdoing have been giving up their armed struggle and surrendering at different army camps with their arms and ammunitions.

Accordingly, Private Than Sein from the KIO's 3rd Company, 21st Battalion, surrendered with one 9 mm pistol and some rounds of ammunition at Shwegun camp on 7 October. Pvt. Khun Tin Hlaing from the local guerrilla group led by Tun Shein surrendered together with four weapons—one carbine, one M-16 assault rifle, one AK-47 assault rifle, and one M-79 launcher—and ammunitions at Nawhtale camp on 9 October. Pvts. Tun Thein alias Aung Kyaw Zan and Than Htay from the KIO's 1st Company, 1st Battalion, surrendered with one BA-63 automatic rifle, one BA-64 automatic rifle, one .38 revolver, and ammunitions at Kuseik camp on 11 October.

These people who have come back to the legal fold after realizing the truth and giving up the armed struggle were warmly welcomed by responsible officials of the camps concerned.

Forces, Karen Rebels Clash in 'White Area'

BK1210053191 Rangoon Burma Television Network in Burmese 1330 GMT 11 Oct 91

[Text] The Karen National Union [KNU] insurgents who have entered peaceful "White Area" in the Delta Region and their hardcore elements are being encircled and crushed in a military operation jointly conducted by the Army, Navy, and Air Force of the Defense Services and the local people who desire regional peace and tranquility. It is reported that more clashes between the KNU terrorist insurgents and our military columns have occurred in the Htawpaing region in Bogale.

One of the KNU terrorist insurgents was killed yesterday and his pistol, a walkie-talkie, and some important documents have been seized. It was learned that some other insurgents, including another leading member, were wounded in the clashes yesterday.

As the insurgent casualties increased in the continuing clashes, the KNU insurgents are reportedly becoming demoralized and three insurgents surrendered last night at 2030. They are: a private from the KNU, Po Kyo, son of U Nyunt of Kapaphaung, Bogale Township, 50; Tint Lwin alias Dawna, son of U Aung Shin of Kunphongyi village, 25; and Saw Pawni alias Paw Tha Htay, son of U Aung Tin of Kapani village, 34. The three insurgents surrendered with one BA-63 assault rifle, one AK-47 assault rifle, 357 assorted rounds of ammunition, and four magazines at Setsan People's Police Force station.

It was reported that our Defense Services clashed with a group of about 60 KNU terrorist insurgents at 1100 on 11 October at Sarpyusu village.

It has been learned that the military operation, under the close supervision of Major General Myint Aung, commander of the Southwest Command, is in full swing with the participation of the Army, Navy, and Air Force, and the local people who desire regional peace and tranquility.

Seven KNU Rebels Killed

BK1610155491 Rangoon Burma Television Network in Burmese 1330 GMT 16 Oct 91

[Text] The Karen National Union [KNU] insurgents and their hardcore elements who have entered peaceful White Area in the Delta Region with an evil design to cause hardships to the people through various means are being sought out and crushed by the Army, Navy, and Air Force and the local people who desire regional peace and tranquillity.

In so doing, our Defense Service column clashed with KNU insurgents at the mouth of Hlaingbon Channel in Ngaputaw Township between 0330 and 0400 today. Thanks to the courageous and outstanding fight by our soldiers, seven KNU insurgents were killed. Seven AK-47 automatic rifles, one mine, three RPG shells, and three motorized boats were also captured.

Similarly, the local people who are cooperating with the Defense Services have been seeking out the weapons of the KNU insurgents. As a result, one AK-47 automatic rifle was uncovered on 15 October by the local people of Daunggyi village in Bogale Township. Similarly, the local people of Theikpan Gongyi village in Labutta Township helped uncovered 40 81-mm shells and 4,603 rounds of AK-47 ammunition.

Meanwhile, as a result of the operation by the Army, Navy, and Air Force and support by the local people, 13 KNU insurgents, who could no longer remain hidden, gave themselves up without arms at the regimental headquarters in Myaungmya on 14 October.

It is understood the operation against the KNU insurgents is being stepped up by the Defense Services and the people.

Cambodia

Party Congress Presidium Begins Session 17 Oct

Radio Lists Members

BK1710092091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 17 Oct 91

[Text] The body of the party congress presidium filed onto the stand at 0745 on 17 October, signalling the start of the congress' program. The presidium was composed of the following members:

1. His Excellency [H.E.] Heng Samrin; 2. H.E. Chea Sim; 3. H.E. Hun Sen; 4. H.E. Say Phuthang; 5. H.E. General Bou Thang; 6. H.E. Chea Soth; 7. H.E. Sar Kheng; 8. H.E. Say Chhum; 9. H.E. Mat Ly; 10. H.E. Gen. Tie Banh; 11. Mrs. Men Sam-an; 12. H.E. Ney Pena; 13. H.E. Nguon Nhel; 14. H.E. Gen. Sin Song; 15. H.E. Sim Ka; 16. H.E. Lieutenant General Pol Saroeun; and 17. H.E. Lt.Gen. Ke Kimyan.

Heng Samrin Opens Congress

BK1710060391 Phnom Penh SPK in French 0410 GMT 17 Oct 91

[All quotation marks as received]

[Text] Phnom Penh 17 Oct (SPK)—The extraordinary national congress of the Kampuchean People's Revolutionary Party opened this morning in Phnom Penh with the participation of nearly 300 delegates from various organs from the party and the country's state, provinces, and cities.

Among those in the presidium of the congress were Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State; Chea Sim, member of party Central Committee Political Bureau and chairman of both the National Assembly and the National Council of the Kampuchean United Front for National Construction and Defense; Hun Sen, member of the party Central Committee Political Bureau and chairman of the Council of Ministers; Say Phuthang, member of the party Central Committee Political Bureau and chairman of the party's Control Commission; and Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers.

Members of the diplomatic corps accredited to Phnom Penh also attended this opening session.

In his opening speech, Chairman Heng Samrin specified that "this current congress reflects the transition toward a phase of the political struggle to continue the grandiose cause of the party which, since its foundation, has never deviated from the ideal and, under all circumstances, has always been linked to the destiny of the country and the people."

"The growth of the nation's own forces, combined with international conditions resulting from the party's clear-sighted policy, has helped many countries realize our people's just cause. The prestige of our Cambodian nation has been rehabilitated on the path of independence, peace, neutrality, and democracy along with its territorial integrity."

"While we are in control of almost all of the nation's territory, our party, in the interest of national reconciliation, peace, and national construction, has implemented a flexible policy of goodwill and peace and has done all it can, along with the international community, to promote the process toward finding a political settlement for the Cambodian problem, and has made an important contribution to the establishment and functioning of the Supreme National Council chaired by Prince Norodom Sihanouk [words indistinct].

"Loyal to the interests of national reconciliation and to what has been agreed upon during negotiations, and to respond to the Cambodian people's aspiration for durable peace to rebuild (?the country) [words indistinct], the political line taken in its plans and the statutes that have been amended to adapt to current practices in some fields, as well as the application in others in order to [words indistinct] circumstances and new tasks.

Hun Sen Endorses Sihanouk

BK1710045891 Hong Kong AFP in English 0453 GMT 17 Oct 91

[Text] Phnom Penh, Oct 17 (AFP)—Prime Minister Hun Sen opened an extraordinary party congress Thursday by proclaiming his support for former rebel leader Prince Norodom Sihanouk as president of Cambodia.

The prime minister, straying from his written text, emphatically proposed that the People's Revolutionary Party of Kampuchea dump its uncharismatic leader Heng Samrin and endorse Prince Sihanouk in post-war elections.

"I think it is necessary to have a Cambodian personality with enough influence" to sway Cambodia's electorate to vote for the party, Hun Sen said.

"May I propose that our party support Prince Norodom Sihanouk as the president of Cambodia in a future Cambodian election," he said. "I think this is the best solution to steer Cambodia away from new political crisis."

Heng Samrin, the current head of state of the Phnom Penh Government and general secretary of the party, sat looking tired and forlorn as the announcement was made.

A party source said Hun Sen and Heng Samrin were up late Wednesday in a heated dispute, during which Hun Sen demanded Heng Samrin's resignation and the latter refused.

The party is set to usher in sweeping reforms at the two-day session, including changing its name to the Cambodian People's Party and allowing multi-party democracy as the nation's 13-year civil war draws to an apparent close.

Further on Party Platform

BK1710084591 Hong Kong AFP in English 0820 GMT 17 Oct 91

[By Sheri Prasso]

[Excerpts] Phnom Penh, Oct 17 (AFP)—Prime Minister Hun Sen kicked off an extraordinary ruling party congress Thursday by throwing his support behind former opponent Prince Norodom Sihanouk as president of Cambodia.

The prime minister emphatically proposed that the party dump its uncharismatic leader Heng Samrin and instead endorse Prince Sihanouk in post peace plan elections. [passage omitted]

Hun Sen, who stressed he was making a personal statement rather than a government proclamation, delivered a 15-page address.

Heng Samrin also gave a short, two-page address to the congress of the People's Revolutionary Party of Kampuchea—which will officially change its name to the Cambodian People's Party and usher' sweeping reforms in the two-day session.

The new platform eliminates all references to communism and socialism and pledges to put democracy and a free-market economy into action.

"Our party has decided to amend its political guidelines ... of which some parts should be radically reformed in accordance with the new situation and the new task" in Cambodia, the president said.

The reforms—drafted by the Central Committee in two weeks of meetings—are to be rubber-stamped by 320 carefully-selected delegates.

Western and local political observers here say reform is the only way to save the party from internal division and ultimate destruction.

The party will have to compete for votes against the factions it has been fighting for almost 13 years of civil war.

Only 30,000 people out of an estimated population of eight million Cambodians belong to the party.

The reforms seek to put a "liberal democracy and multi-party system" into action, according to the new platform.

"The Cambodians have renounced all communist ideology," said a diplomat from the former socialist bloc. "The new Cambodian program has nothing socialist, nothing communist about it."

Cambodia will thus become the first country in Indochina to allow opposition parties to form. But speakers urged congress delegates who might be thinking of breaking away to give the new improved party a chance.

"Our party cannot afford any divisive activities aimed at weakening our force needed to oppose the return of the Pol Pot regime," Hun Sen said.

Pol Pot and his fanatical Marxists ruled Cambodia from 1975 until 1979 when they were ousted by the Vietnamese, who have supported this government ever since.

Phnom Penh is constantly warning of the threat of the return to power of the Khmer Rouge, who have been fighting in the resistance since their ouster.

Several former members of the Phnom Penh government—including one jailed for forming his own party prematurely—are poised to form independent parties, one Western source said.

"This is the green light everybody's been waiting for," he said.

Ung Phan, former minister of transport and communications, spent 17 months in jail for dissent before being released last week. Sources close to him say he wants to resurrect his Liberal Social Democratic Party.

The party congress was announced to the public with banner of blue and white—rather than communism's red and white—hung over the streets of Phnom Penh.

While a handful of foreign diplomats attended the opening session, notably absent were the delegations of foreign communist parties that are a usual presence at party congresses.

The new platform calls for friendly relations with all countries, regardless of their political systems. It bars any military alliances or pacts going against the neutrality of Cambodia.

The new platform also says all Cambodians who acquired foreign passports after fleeing overseas during the last two decades will have the right to vote if they return to Cambodia.

Editorial Welcomes Opening

BK1710024891 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 16 Oct 91

[PRACHEACHON editorial: "Extending the Warmest Welcome to the Extraordinary Congress of Representatives From Throughout the Country"]

[Text] The extraordinary congress of representatives throughout the country is to open solemnly on the morning of 17 October 1991 in Phnom Penh.

This is an event of historic and vital significance to the fate of our motherland and the people throughout our country.

For the past 13 years, that is from the victory day on 7 January 1979 to this day, in its role as the leader of the brilliant just cause of our motherland and people, the party has always wisely (?set forth) policies in line with the situation in each stage, thus enabling our unfortunate motherland to continue to develop.

Sharing the people's well-being as well as their woes and linking closely with the, despite the fact that it had to lead the people to defend and build the country during a very difficult, complicated, and tense situation, [words indistinct] party won one major victory after another.

During the first years following the liberation of 7 January 1979, the party was able to overcome the danger of famine, promoted the restoration of the national economy, and improved the people's standard of living step by step. In particular, it resolutely and successfully checked the dangers that had plagued our country in the past.

During the past few years, based on the country's progress and in response to the people's sacred aspirations and requests, the second national congress of cadres [words indistinct] 1989 decided to amend a number of articles in the Constitution and adopted resolutions on policies for land management and use, the peasantry, agricultural production and land exploitation through mutual aid teams, small industries and household handicrafts, private, collective, and joint state-private sectors, and many other policies for effectively serving the policy of expanding the economy in the new stage, thus improving the people's standard of living and promoting socioeconomic development. Our people have welcomed all our party's lines and policies, which they have actively implemented with successful results.

Although we have the advantage, for the sake of the well-being of the people, the party has put forth a policy of national reconciliation with a view to quickly eradicating the Cambodian people's suffering, which has been caused by the Cambodian groups on the other side who have prolonged the war of destruction.

Thanks to the efforts, sacrifices, and contributions that have been made through sincere goodwill to achieve genuine peace for the motherland and people, our party and state have patiently sought a solution to the Cambodian problem. This effort has advanced to its final stage, and a peace agreement will be signed in the near future.

Our people firmly believe that all representatives to the congress will pool all their spirit and wisdom to actively give their good views and opinions on the party's political program, thus contributing to enlightening our party even further and strengthening its ability to carry on its activities in the genuine interests of our motherland and people.

Our people would like to place their hope in the extraordinary congress of national representatives and wish it brilliant success in its work.

Kandal Party Secretary Comments

BK1610152191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 16 Oct 91

[Interview with Vong Sot, party committee secretary of Kandal Province, by unidentified correspondent; place and date not given—recorded]

[Excerpt] [passage omitted] [Correspondent] What is your impression about the party's upcoming extraordinary congress and its political platform?

[Vong Sot] I would like to welcome the holding of the party's extraordinary congress and its political platform and would like to express my great confidence in it. I believe that this congress constitutes a factor that will determine the destiny of our country and people, for it is going to take place in line with the current national and global situation. What is important is that it will meet the aspirations of our Cambodian people.

Through close examination of the party's political platform, our Kandal Provincial Party Committee finds that this document matches very closely the situation in the country at the present, for everything that has been written in the document is generally a genuine response to the democratic requirements and interests—and truly to the traditions and customs—of the Cambodian people.

The party's political platform clearly shows the national leadership's strategy and tactics, which are geared toward realizing the noble ideals of national reconciliation, the union of all the national forces to defend the nation's social gains, and the reconstruction of the country in accordance with the motto: Independence, Unity, Peace, Democracy, Neutrality, and Social Progress.

At the same time, I have also noted that the policy of great national union, the question of the liberal democratic system, and the question of state control and social security, constitute a formula that harmonizes with democracy for the nation's legitimate interests.

The foregin policy that has been formulated along this line creates an irresistible attraction grouping forces from all circles and helping them to contribute to the development of our national society.

In summary, our Kandal Provincial Party Committee is extremely confident that the party's extraordinary congress will surely be crowned with a brilliant success. Its fruit will be a perfect political platform that will become a flawless compass to enable us to provide successful leadership for the tasks of national reconstruction

[Correspondent] Do you have anything else to say about this party Central Committee's extraordinary congress?

[Vong Sot] As I have already said, our Kandal Provincial Party Committee believes that our party's political platform is the only way to guarantee the democratic interests that will enable our citizens to really see their aspirations materialize and enable our beloved motherland to advance toward prosperity. Stemming from this view, in order to win greater trust and confidence for our party political platform and to enable it to grow deeper roots among all strata of our Cambodian people, our Kandal Provincial Party Committee would like to solemnly pledge that under all circumstances, however difficult and complex they may be, we will never desert the proper assignments bestowed upon us by our party for the cause of the motherland. We will do our utmost to set up a regular program of activities aimed at educating the masses, especially so they can clearly grasp the important principles of our party platform and then transform them into a fusion of the entire national forces so that they can produce more results in defense of the gains of national society and national reconstruction and development.

Hun Sen, Sihanouk To Visit Vietnam, Australia

BK1410003691 Moscow Radio Moscow in Cambodian 1100 GMT 13 Oct 91

[Text] According to Cambodian Foreign Minister Hor Namhong, State of Cambodia's Prime Minister Hun Sen will pay an official visit to Australia soon after signing the final documents related to the Cambodian solution to be held in Paris. As is known to all, this excellent event is to be held in Paris on 23 October.

The specific schedule of Comrade Hun Sen's visit to Canberra has not yet been fixed, but this visit is expected to begin on 24 or 25 October.

The head of the Cambodian foreign affairs also revealed that Prime Minister Hun Sen and Samdech Norodom Sihanouk, chairman of the Supreme National Council, will visit Vietnam together in the near future.

French General To Command U.N. Mission

AU1710124791 Paris AFP in English 1225 GMT 17 Oct 91

[Text] Paris, Oct 17 (AFP)—A French general will take command of the United Nations preparatory mission to be deployed in Cambodia after a peace agreement ending the civil war there is signed here Wednesday, the Foreign Ministry said.

Ministry Spokesman Daniel Bernard did not say who the officer would be.

France, which along with Indonesia is a co-host of the Paris peace conference on Cambodia, will contribute four Puma helicopters and a Transall military transport plane and their crews to the U.N. mission, Bernard said.

Indonesia

Suharto Seeks Private Aid in Rice Field Program

BK1610121291 Jakarta ANTARA in English 1015 GMT 16 Oct 91

[Text] Jakarta, Oct. 16 (OANA-ANTARA)—President Suharto has called on the country's conglomerates to join hand in a program to open new rice fields since the government's willingness to accelerate rice field extensification has found some obstacles.

In a dialogue with farmers, members of the West Java Women Movement PKK and local teachers at Cikiong, Sedari village, Karawang, West Java, the president asked the big companies to join hand in the opening of new rice fields and not buying rice fields from peasants.

If they (the conglomerates) buy ricefields from peasants, it means that they grab the peasants' source of income, he asserted.

President Suharto, accompanied by Mme. Tien Suharto, Forestry Minister Hasyrul Harahap, Cooperatives Minister Bustanil Arifin, Junior Minister of Agriculture Syarifuddin Baharsyah, and Commander of the Indonesian Armed Forces Gen. Try Sutrisno as well as the FAO [UN Food and Agriculture Organization] resident representative Danilo Vujicic, was in Karawang to attend the national celebration of this year's 11th world food day.

Stressing on the importance of the opening of new rice fields, the head of state said that Indonesia must strive to maintain its rice self-sufficiency because although the country had successfully pressed down population growth, the number of people would be continuously increasing.

Efforts to increase food production and rice in particular could be done by launching both intensification and extensification programs. However, the president reminded that at a certain level the intensification program would cause a fatigue in rice production.

In this connection, he went on, the government had also launched extensification program by opening new ricefields.

However, efforts to open new ricefields have found some difficulties as most of the land owners were reluctant to do so, he said.

It's in this context that the president called on the country's conglomerates to join hand in the opening of new rice fields, which would then be tranferred to peasants on credits.

In the 35-minute dialogue, the president urged big businessmen, who had enjoyed the result of development, to help farmers improve their income.

The big businessmen could act as foster parents assisting the farmers in marketing their produce. Farm yields had increased but farmers faced difficulties in selling them, the president said.

Businessmen could buy the farm products at fair prices. They should not press the buying prices down just because the supply (at harvest time) is abundant. That's not cooperation, but merely profit grabbing, the president commented.

Earlier on, in his world food day speech, President Suharto said natural resources, including trees constituted a very important source for food provision.

For that reason, he urged society not to destroy the natural resources because if they were spoiled, floods, droughts, or hunger could follow.

He said though exploitation of the natural resources, including the forests was necessary, the exploitation should be coupled by efforts to preserve the resources.

As most of farming areas are located upstream, the president advised farmers to participate in controlling the flow of rivers.

We should always keep the rivers flowing regularly and under control. They should not get uncontrolled and bring destructive floods. They also should not get dry, he said.

Bank Announces Flexible Ceiling on Foreign Loans

BK1510125591 Hong Kong AFP in English 1135 GMT 15 Oct 91

[Text] Bangkok, Oct 15 (AFP)—Indonesia's Central Bank governor Adrianus Mooy said Tuesday that new limits on foreign borrowings, announced at the weekend as part of a freeze of almost 10 billion dollars in major projects, were flexible.

Mooy also said that the ceiling on offshore loans over the next five years would not lead to a tightening of Indonesian exchange controls but added that the borrowing limits covered short as well as long-term loans.

"We don't look at the maturities alone but at the purpose of the money," the Central Bank governor told a news conference. "This is very important."

Mooy, speaking on the sidelines of the annual meeting of the World Bank and the International Monetary Fund (IMF) in Bangkok, said short-term loans were not subject to the ceiling if used for liquidity and related purposes.

But the Central Bank is "worried" that some companies might try to use short-term loans to fund long-term projects, he said, adding that such borrowings would have to be included in the new ceilings.

Indonesia's Coordinating Minister of the Economy, Radius Prawiro, announced the loan ceilings on Saturday along with a freeze on four energy and petrochemical projects worth 9.8 billion dollars.

Prawiro, who heads a special offshore commercial borrowing team set up by President Suharto last month, said the overall ceiling was set at 5.9 billion dollars for this year. The ceiling will then fall to 5.6 billion dollars next year and gradually rise to 6.5 billion dollars in 1995.

Private companies will be able to borrow 2.5 billion dollars in the first year with an annual increment of 100 million dollars in subsequent years.

"The private sector ceiling is something of an indicative figure," Mooy said, adding that the Central Bank would ask companies to submit details of their foreign borrowings rather than tighten exchange controls.

"We'll ask them to report to us to know what they're borrowing. But there's no strict ceiling," the Central Bank governor said. But he added that government borrrowings abroad were expected to stay within the guidellines.

Indonesian Finance Minister Johannes Sumarlin refused to say when the projects would be resumed. But he told the same news conference that they "will not be implemented next year or two years from now" and added that the exact timing would depend on "further scrutiny" of their impact on the economy.

Sumarlin said the projects were frozen to avoid excessive widening of the country's current account deficit and to maintain long-term economic stablity.

"We realised that if state-related projects absorbed too much foreign exchange, that could unduly limit the opportunities for a rapidly growing private sector," the finance minister said.

Sumarlin estimated that Indonesia's current account deficit this year would amount to between four percent and 4.5 per cent of the country's gross national products (GNP), its total output of goods and services.

Western Experts To Help Extinguish Forest Fires

BK1610112491 Jakarta ANTARA in English 1028 GMT 16 Oct 91

[Text] Jakarta, Oct. 16 (OANA-ANTARA)—Western countries have begun to realize their promise to fight forest fires raging Kalimantan and Sumatera when two Canadian forest fire experts arrived in East Kalimantan Province earlier this week to help the Indonesian Government deal with drought-induced fire.

They will be joined in by five members of a rapid assessment team of expert fire control advisors from Australia who will arrive on October 17.

Canadian Embassy spokesman Michel Dupuis said here Wednesday the experts from private forest fire-fighting company in Quebec flew to Indonesia at the initiative of Quebec authorities with the full support of the Canadian Government.

He said the help was extended in response to Indonesia's appeal for assistance to help save its tropical forests.

Australian Ambassador to Indonesia Philip Flood announced his country's readiness to send an experts team following discussions with the forestry minister, Hasyrul Harahap.

The team will include experts in various aspects of fire fighting and control, including coal seam fires who will work in consultation with their local counterparts.

Australia will also lend an infra-red detection unit which can be mounted on a small aircraft or helicopter to assist with mapping fire boundaries from the air.

The unit is able to detect through smoke the location of fire "hot spots" areas where the fire is particularly intense and from which fresh outbreaks are likely to occur.

Ambassador Flood and Minister Harahap agreed that Australia's offer of basic fire-fighting equipment would be held open until assessment of the Australian and Indonesian experts was available.

A similar assistance will also be extended by Britain.

The British Embassy here informed Indonesia that an integrated radio communication network and technical cooperation would be provided to help in the fire-fighting effort.

Meanwhile, the U.S. Embassy said that it had started consultations with Indonesian authorities to define the type and form of assistance the U.S. could extend.

More than 100,000 hectares of forests in Indonesia have been destroyed by fire since early August, according to authorities.

Minister Harahap also said that help was also expected from Japan.

Haze and thick smoke have overcast skies over Kalimantan and Sumatera as well as the neighboring countries of Malaysia and Singapore.

Indonesian and Malaysian officials recently attacked Western countries for being slow to help fighting the fire destroying the forests while being eager to criticize regional logging policies.

Philippines

Chief of Staff Cancels Rebel Soldiers' Passes

HK1710034291 Manila PHILIPPINES NEWSDAY in English 17 Oct 91 p 2

[By Dario B. Agnote]

[Text] General Lisandro C. Abadia, Armed Forces chief of staff, yesterday cancelled all safe conduct passes of the Rebolusyonaryong Alyansang Makabayan (RAM) [Nationalist Revolutionary Alliance] secretariat working on the position paper for the projected reconciliation—talks between the government and the rebel military forces.

"As of now there is nobody out on pass... all of them are back to their respective detention cells in their major services," Abadia, who left yesterday afternoon for a week-long visit to Indonesia and Brunei, told defense reporters at the Kalayaan lounge of the Villamor Air Base.

Those military rebels who were ordered to return to their cells were Commander Proceso Maligalig; Lieutenant Colonels Alexander Noble and Jake Malajacan; Navy Captain Danilo Pizzarro; Majors Cesar de la Pena, Nelson Senares and Basilio Calimag; and Army Captain Danilo Lim.

This group composed the RAM secretariat that drafted the RAM-SFP- YOU [Soldiers of the Filipino People-Yong Officers Union] position paper to be presented to the government during the projected talks. Abadia bared Tuesday that one of the rebel demands was the immediate pullout of the American facilities in the country.

Abadia was accompanied by Brigadier General Cesar Fortuno, the commander of the Army's 2nd Infantry Division, and Commodore Isidro Codera, the deputy chief of staff for personnel (J-1). They will stay in Indonesia until Saturday, October 19, and then later proceed to Brunei and stay there until October 23.

Lieutenant General Guillermo Flores, AFP [Armed Forces of the Philippines] vice chief of staff, was designated acting AFP chief while Abadia is away.

Abadia is expected to meet with the Indonesian Armed Forces chief, General Try Sutrismo, and the head of the Royal Armed Forces of the Sultanate of Brunei, Major General Dato Seri Paduku Hadji Sulaiman.

Meanwhile, President Aquino yesterday brushed aside the rightist rebels' demand for an immediate dismantling of the American military facilities in the country and the implementation of a genuine land reform program to pave the way for a true reconciliation between the government and the renegade soldiers.

Abadia said the demands were based on a two-page draft of the position paper prepared by the seven-man RAM secretariat.

"I do not believe that the rightist rebels are in any position to make any demands," Mrs Aquino said in a written statement issued to Palace reporters following the Abadia disclosures.

Fire To Delay Hearings on Several Rebel Cases

Arson Suspected

HK1610121491 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 16 Oct 91

[Text] It will be a year before the records of pending cases at Regional Trial Court Judge Jaime Salazar's office can be restored following a fire, which gutted the judge's office and other offices at the Regional Trial Court at Vargas Building, Kalayaan Avenue early this morning. Various charges of criminal activity, drug trafficking, and rebellion were being heard at Judge Salazar's court, and a total of 235 cases were pending at his office.

Judge Salazar is handling the rebellion charges against Satur Ocampo, Juan Ponce-Enrile, Legaspi, and Colonel Billy Bibit.

Reports have indicated that the fire has rendered the papers on the controversial case against Satur Ocampo and his wife, Carolina Malay, useless. Attorney Romeo Capulong, the Ocampo's lawyer, has said that this will greatly affect his client's case, as a decision was going to be read soon.

It is believed that the fire was caused by arson. According to Colonel Wencislao Romero, a liter of gasoline was found in a plastic trash bin near the right side of the Vargas building.

Judge Says Fire Set Intentionally

HK1710064291 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 17 Oct 91

[Text] In a television interview, Quezon City Judge Jaime Salazar has said that the fire which gutted the Quezon City courts was intentional. According to Salazar, this was the conclusion the bomb experts and the Philippine National Police reached in their initial investigation. Salazar's and Judge Lucas Bersamin's courtrooms caught fire yesterday, and many documents on rebellion cases involving Senator Juan Ponce Enrile, Colonel Gregorio Honasan, and other rebel leaders were destroyed. Salazar described the effects the loss of these documents will have on the cases he is handling:

[Begin Salazar recording] If the evidence is lost, the case will be dismissed, especially if the witnesses, who, notwithstanding their bravery to testify in the past, are now too scared to show up. Even if we try the cases again from scratch, if the witnesses will not appear, the cases will be dismissed. This is the effect. [end recording]

Military Rebels Cancel Meetings With Politicians

HK1710041091 Manila MANILA BULLETIN in English 17 Oct 91 p 8

[By Aris R. Ilagan]

[Text] Leaders of the Reform the Armed Forces Movement-Soldiers of the Filipino People (RAM-SFP) have shelved their plans of meeting with presidential aspirants following their decision to return to military control by Oct. 31.

Military officials said leaders of the RAM-SFP, led by former Army lieutenant colonel Gregorio "Gringo" Honasan, decided to forego their second meeting with Speaker Ramon Mitra Jr. originally scheduled to take place two weeks ago.

"The RAM-SFP leaders have expressed fears over the possible negative repercussions on their meeting with some government leaders who also might capitalize on the issue of military rebellion for their political motives," the officials said.

Gen. Lisandro C. Abadia, AFP [Armed Forces of the Philippines] chief of staff, said Mitra and Honasan have not yet met again since their first meeting last Sept. 22.

Abadia was asked by President Aquino to lead the government-initiated peace negotiations with Honasan's group, while Mitra will assume only a supportive role.

House Supports Aquino's 3-Year Pullout Decision

HK1710041591 Manila THE CHRONICLE in English 17 Oct 91 p 6

[Text] The House of Representatives yesterday passed a resolution expressing "full support" to the President's decision to execute with the U.S. government a three-year withdrawal period of its bases from the Philippines.

In Resolution No. 2402, the legislators cited the "general welfare of the Filipino people" as the primary consideration in any withdrawal arrangement.

"It is the major responsibility of the Philippine government to ensure that any arrangement made regarding the withdrawal of U.S. military forces and facilities from Subic shall be premised on the general welfare of the Filipino people," the resolution said.

The resolution stressed that this was necessary "especially at this time when the nation is faced with enormous economic difficulties brought about by the successive natural calamities, the latest of which is the eruption of Mt. Pinatubo."

The two-page resolution was introduced by Speaker Ramon Mitra Jr., and Reps. Antonio Cuenco, Francisco Sumulong Sr., Jose S. Cojuangco Jr., Ronaldo B. Zamora, Pablo V. Ocampo, Salvador H. Escudero III, and Rodolfo B. Alano.

In the resolution, the House members expressed confidence that the President's proposal "will now serve as a compromise formula to resolve all differences and to unite the country and at the same time, maintain the friendship and cooperation with an old friend and ally."

The House members also cited the "beneficial results" that will accrue to both countries with the three-year withdrawal formula.

"The U.S. will have a reasonable time within which to work for a base replacement in the Asia-Pacific region and on the part of the Philippines, to enable the government to gradually take over and pursue its conversion plans and programs for the U.S. facilities that shall be turned over," the resolution said.

Senator Ernesto Maceda, meanwhile, filed a resolution asking the United States to give the Philippines "priority" in buying base equipment that could be used for the livelihood of Pinatubo residents.

In Resolution 1278, he proposed that the foreign office negotiate these terms with Washington.

"The DFA [Department of Foreign Affairs] should make representations to the U.S. that they allow us to buy this equipment instead of pulling them out or relocating them," Maceda said.

Normally, the U.S. would be able to pull out moveable equipment when it leaves Clark.

Some are already being auctioned by the U.S. Maceda said.

Aquino Welcomes Support

HK1710064091 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 17 Oct 91

[Text] President Aquino has welcomed the House's support for her proposed three-year withdrawal period for U.S. troops and equipment from Subic Base. The lower house approved the resolution yesterday. House Speaker Ramon Mitra Jr. said that the resolution states that any plans the government makes regarding the U.S. military bases in the country should take into account the people's welfare. The legislators hoped that the resolution proposed by the Office of the President will served as a compromise formula that will resolve the different positions held by different sectors of the country. They also hoped that this will serve to maintain the cooperation between the Philippines and the United States.

Senator Tanada Proposes Withdrawal by Dec 91

HK1710062891 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 17 Oct 91

[Text] A resolution establishing the guidelines for the withdrawal of U.S. forces from Subic Naval Base was submitted by Senator Wigberto Tanada at the Senate. Here is Jojo Ismael with the details:

[Begin recording] [Ismael] In his speech at the Senate, Tanada said he has proposed that the U.S. forces from Subic and other parts of the country complete their withdrawal before the end of December of this year. This withdrawal includes the 7,000 U.S. Navy and Marine Corps personnel who are currently in the country, interventionary special operation forces, and all nuclear capable aircraft and ships currently docked at Subic.

The senator also said Subic should be opened to all foreign and local ships, which should be inspected by the Philippine Coast Guard and immigration authorities rather than the U.S. Marines.

[Tanada, in English, in progress] ...let us indeed make the withdrawal of the U.S. military forces adhere closely and equivocally to the constitutional principles and provisions. [end recording]

Senator Urges Government To Buy U.S. Equipment

HK1710040691 Manila PHILIPPINE DAILY INQUIRER in English 17 Oct 91 p 6

[Excerpt] Sen. Ernesto Maceda yesterday filed a resolution urging the Philippine government to purchase generators and other equipment which U.S. authorities are pulling out of Clark Air Base.

Maceda, a member of the Philippine withdrawal panel, said U.S. facilities and equipment could be put to good use by the Philippine government to generate employment for thousands of Filipino workers displaced by the U.S. pullout from Clark.

Washington decided to abandon Clark after the base was buried in tons of volcanic ash following Mount Pinatubo's eruption in June.

"The Americans are pulling out a lot of generating equipment and facilities in Clark that could be used for livelihood (projects)," Maceda said before the Senate session.

The Philippine governments, he said, should be given priority in purchasing the U.S. equipment.

Among the equipment the Americans are starting to pull out are generators, dairy equipment, food production machineries, heavy duty hauling equipment, food storage equipment, aircraft maintenance equipment and the entire commissary complex.

Although the expired RP [Republic of the Philippines]-U.S. Military Bases Agreement allowed the Americans to pull out all "moveable" equipment, Maceda said the U.S. government should either turn over or sell these facilities to the Philippine government. [passage omitted]

Aquino's Supreme Court Appointments Protested

Justices Threaten To Resign

HK1610041691 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 16 Oct 91

[Text] Senior justices at the Court of Appeals threatened to resign en masse or retire early if President Corazon Aquino appoints another aide to the Supreme Court's remaining position. The magistrates from the Court of Appeals consider the appointment of either Philippine National Bank chairman Adolfo Azcuna or Magdangal Elma, presidential adviser for legal and judicial affairs, an insult to them.

A source in Malacanang said that Mrs. Aquino will consider Azcuna for the last vacant position in the Supreme Court. Associate Justice Segundino Chua said that 51 magistrates of the Court of Appeals will pursue threats to retire early to protest the last step to be taken by Mrs Aquino to fill the vacant seat in the Supreme Court by appointing Azcuna or Elma.

The Supreme Court and the Copurt of Appeals believe that Mrs. Aquino's appointment of her aides is part of her preparation for a reelection bid in the upcoming elections.

President Aquino has not been bothered by the threat of mass resignation made by the magistrates of the Court of Appeals. Aquino indicated this after she rejected their appeal to recall her appointment of Flerida Ruth Romero as associate justice of the Supreme Court. Mrs. Aquino stressed that, when guidelines and procedures have been instituted, the right thing to do is to abide by them.

The magistrates and justices from the Court of Appeals forwarded their protest to President Aquino because she appointed Romero to the Supreme Court, even though he is not a member of the judiciary. They emphasized the many times that they have been passed by in order to appoint outsiders to Supreme Court positions.

In a statement, Mrs. Aquino said that her decision will remain the same despite protest threats from certain groups, because she believes in the legality of her decision. She claims that she chose the individual that she believes is most qualified for the vacant position, based on the list submitted to her by the judicial and bar council.

Meanwhile, Supreme Court Associate Justices Hugo Gutierrez Jr and Edgardo Paras have asked President Aquino to appoint a magistrate from the Court of Appeals to the last vacant position in the 15-man tribunal. Gutierrez and Paras made this appeal amid threats by 30 Court of Appeals Justices to undertake mass leave or early retirement if President Aquino's new appointee to replace retired Associate Justice Abraham Sarmiento comes from outside.

Justice Gutierrez said that he recognizes President Aquino's prerogative to appoint someone from outside, but he expressed the hope that Mrs. Aquino's next appointee will come from the Court of Appeals. In this regard, Executive Secretary Franklin Drilon stressed that the chief executive's appointment of Flerida Ruth Romero as magistrate of the Supreme Court is in accordance with the provisions of the Constitution. Romero, who is scheduled to take her oath today in a simple ceremony in Malcanang, is the former chief of the University of the Philippines Law Center, Dean of the College of Law, and Presidential Executive Assistant.

Aquino Refuses To Withdraw Appointment

HK1610010591 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 15 Oct 91

[By Sonny Casulla]

[Text] President Aquino refused today to grant the magistrates of the Court of Appeals' request to withdraw her appointment of Attorney Flerida Ruth Romero as associate justice of the Supreme Court. The justices protested Romero's appointment because she is not a member of the judiciary.

In her statement, the president said that, if the rules and guidelines have already been set, then there is nothing left to do but follow them. The president also added that she does not need to explain her decision and that the only thing she can say is that she appointed someone whom she believed to be qualified for the requirements submitted to her by the Judicial and Bar Council.

The justices of the Court of Appeals protested against the appointment because they have always been bypassed by outsiders appointed to the Supreme Court.

Appointments Commission Confirms Drilon, Others

HK1610093891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 16 Oct 91

[By Milky Rigonan]

[Text] The Commission on Appointments has confirmed Franklin Drilon as executive secretary. Drilon's nomination was easily approved at the hearing conducted by the members of the joint committee of the Commission of Appointments.

The Commission also confirmed the nominations of more than 50 councillors and foreign service officers who are joining the career service. According to Senator Leticia Ramos-Shahani, chairman of the Senate Committee for Foreign Relation, the nomination of the councillors and the foreign service officers was thoroughly scrutinized by her committee.

The committee chairman also requested the immediate approval of the appointments of seven sectoral representatives from the province of Mindanao due to the short time remaining for the two houses of Congress to hold sessions.

Rejects 'Midnight' Appointees

HK1710045791 Manila PHILIPPINES NEWSDAY in English 17 Oct 91 p 3

[By Jose H. Macaspac]

[Text] The Commission on Appointments [CA] yesterday shut its door on all future nominees of President

Aquino, claiming it could not, in conscience, confirm "midnight" appointments by the palace.

The CA issued the decision after confirming the appointments of Executive Secretary Franklin Drilon and promotion of 37 foreign service officials.

Nobody objected to the confirmation of the appointment of Drilon, the President's fourth executive secretary.

It will also consider the nomination of acting tourism Secretary Rafael Alunan, Trade and Industry Secretary Peter Garrucho, and Defense Secretary Renato de Villa.

Malacanang has not yet dismissed the appointment of acting Transportation and Communications Secretary Pete Nicomedes Pardo and acting Justice Secretary Silvestre Belo III.

Adversely affected by the CA decision were retired General Rodolfo Biazon as ambassador to the Soviet Union; former Cabinet Secretary Edilberto de Jesus, ambassador to the Hague; Nicanor Jimenez, ambassador to South Korea; and Teodoro Katigbak, ambassador to Kenya.

The CA will also not act on the appointments of 10 House sectoral representatives.

Senator Leticia Shahani, a members of the CA foreign relations committee, said the body has refused to act on future appointments to ambassadorial and sectoral representative positions "because these are political positions."

She said these new appointees could not anymore serve their full term in office.

They are co-terminus with the President and therefore have only nine short months to stay in office, Shahani said.

"What's the use of acting on these political appointees when they will be out of office in the few months," Shahani asked, adding that the expenses that would be incurred could not be justified by a confirmation of the nominees.

In the case of the ambassadors, Shahani said their functions could be effectively taken over by the respective charge d'affairs in their posts.

On the sectoral representatives, Shahani said the House contingent in the CA was the one which insisted that the appointments of these newly-appointed House members be bypassed.

Also confirmed by the body were:

Counsellors: Jesus I. Yabes and Amable R. Aguluz III.

FSO [Foreign Service Officer] I: Leoncio Cardenas Jr., Elizabeth Buensuseco, Teresita Barsana, Aurora Villaroel, Petronila Carbonell, Cristina Ortega and Erlinda Baisa.

FSO II: Antonio Modena, Teodoro del Mundo Jr., Roberto Mascardo, Corazon Patarata, Laureano Santiago, Enrique Santos, Oscar Orcine, and Walter Santiago.

FSO III: Leah BAsilang, Rosario Belarmente, Bonifacio Amado, Angelita Espinosa, Ma. Leticia C. Ramos, Francisco Sales, and Claro Cristobal.

FSO IV: Romeo Candazo, Alexi Lamadrid, Domingo Lucenario Jr., Jesus Domingo, Leslie Baja, Jaime Victor Ledda, Ranjit Shahani, Melita Sta. Maria, Ma. Amelia Aquino, Celia Anna Feria, Carlos Sorreta, Domingo Nolasco and Maynardo Montealegre.

Manglapus Plan To Assassinate Honasan Reported

Manglapus Denies Involvement

HK1710100191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 17 Oct 91

[Passages in italics in English]

[Text] A former American mercenary from the contra rebels in Nicaragua has said that he was hired by a high ranking Philippine Government official to kill renegade Colonel Gringo Honasan. In an interview with ABC World News Tonight, Jack Terrell has revealed the details of the conversation he had with the official about Honasan's assassination. Terrell said Foreign Affairs Secretary Raul Manglapus was the man who spoke to him at the middle of 1990 at one of the secretary's offices. Terrell said that he was able to collect 850,000 pesos, or 30,000 dollars, as the initial down payment to kill Honasan. Terrell backed out, however, after Manglapus indicated that he also wanted to kill some civilians opponents who are against the government. Gringo Honasan's assassination was supposed to have taken place in September of last year.

Foreign Affairs Secretary Raul Manglapus, meanwhile, has strongly denied his involvement in the assassination attempt on Gringo Honasan and other rightists leaders and civilian opponents of the current administration. Here is Rey Arquiza of DZRH Unit 21 with the details:

[Begin Arquiza recording] Foreign Affairs Secretary Raul Manglapus has strongly denied the television news report implicating him in an attempt to assassinate rebel leader Gringo Honasan. *The charge is categorically false, and I have not plotted to kill anyone, and I have not paid money to anyone to undertake matters on my behalf.* According to Manglapus, the story came from Jack Terrell, an ex-convict of questionable credibility. Manglapus admitted that he got to know Terrell on a certain occasion at the International Center in Washington, where Terrell said he was assigned to work in the United States. Terrell went to Manila to meet Manglapus, but he was not aware that he has already been terminated from the International Center. According to Manglapus, they discussed were people who wanted to overthrow the Aquino government, and he considered their discussions to be factual. He did not offer or give any money to Terrell. Manglapus also said that Terrell was a mercenary who sold his services to foreign governments, and when the mercenary business declined Terrell switched to selling stories to the media. Manglapus said that he has studied the taped conversation between him and Terrell, and he is sure that it was not himself speaking and said that they have simply copied his voice. Manglapus said that he was told about the tape before he went to New York, and he dismissed the taped conversation until the local television network aired the news: *I am deeply disturbed that a major American network took the word of obviously untrustworthy individual and gave him the platform to promote his lie. My entire career has been spent on peaceful political endeavor and I never believed in political violence as the solution to anything.* [end recording]

Press Secretary Dismisses Charges

HK1710091791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 17 Oct 91

[On the spot interview with Press Secretary Tomas Buddy Gomez by Sonny Casulla; place not given; passages within italics in English—live]

[Excerpt] [Casulla] We have here Press Secretary Buddy Gomez III. Let us take this opportunity to get an update on the report that Secretary Manglapus hired someone to assassinate renegade Colonel Honasan. *Sir, good afternoon, we are on the air with DZRH,* does the president have any reaction to Jack Terrell's revelation that a mercenary has been hired to assassinate Gringo Honasan?

[Gomez] You know, we just laugh at this foolishness. This kind of thing should simply be ignored—even in the United States there are matters like this which are called electricity—well, this rumor is what we would call high voltage. The president knew about this incident. *The fact there was this report that was going to be aired in ABC [American Broadcasting Corporation].* We discovered this two days ago. There was, after all, a threat. *So we are not even responding. As far as we are concerned,* this is simply hogwash.

[Casulla] Won't this affect the former first lady's homecoming on 4 November?

[Gomez] What has the former first lady got to do with this issue? In my opinion, she has nothing to do with it, and nor does she care about the matter. [passage omitted]

De Villa Rejects Accusation

HK1710100291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 17 Oct 91

[By Rodney Haleco]

[Text] Defense Secretary Renato de Villa does not believe Jack Terrell's allegations that Foreign Affairs Secretary Raul Manglapus offered him $30,000 to assassinate Gregorio Gringo Honasan, Eduardo Red Kapunan, and Colonel Alexander Noble last year. Secretary De Villa gave the following brief statement, read by Lulu Ilustre, the Department of National Defense [DND] spokesperson:

[Begin recording in English] From what I know of Secretary Manglapus, I believe that it is highly unlikely that he will be involved in a conspiracy as that alleged by Mr. Terrell. [end recording]

A DND official added those in the intelligence community did not receive any reports which might support Terrell's accusation, and said that they are willing to cooperate with various government agencies, particularly the Department of Foreign Affairs, if their help is sought.

Aquino Grants Imelda Marcos' Security Request

HK1710062691 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 17 Oct 91

[Text] Executive Secretary Franklin Drilon said the Marcos cronies who have pending cases and warrants and who will be returning to the country on 4 November with Former First Lady Imelda Marcos will face arrest. Drilon issued this statement about Mrs. Marcos' return to the country. Defense Secretary Renato de Villa, however, said that Mrs. Marcos will not be arrested immediately and that the warrant for her tax fraud cases will only be presented a few days after her return.

President Aquino has granted Mrs. Marcos' request that she be given tight security upon her return, and 30 Capital Command men have been assigned to ensure Mrs. Marcos' security from the airport to her place of residence.

Lawyer Chosen To Arrange Imelda Marcos' Return

HK1610132491 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 16 Oct 91

[Text] President Aquino accepted today the endorsement made by Mrs. Imelda Marcos for Dean Antonio Coronel to handle the arrangements for her homecoming on 4 November. This was learned after Executive Secretary Franklin Drilon met with Dean Antonio Coronel, who personally gave Drilon Mrs. Marcos' letter endorsing him as her lawyer.

The executive secretary said the president did not object to Coronel's formation of a committee that will ensure Mrs. Marcos' safety during her homecoming.

[Begin Drilon recording in English, in progress]...[word indistinct] Antonio Coronel and the latter has formed a committee composed of Major General Joseph Osramas, former General Dick Shugar, and James Barbers [names as heard] to coordinate with the Philippine National

Police, General Marino Filart, in coordinating the security arrangements upon her arrival at the Ninoy Aquino International Airport. [end recording]

Foreign Ministry Urges Increased Swedish Ties

HK1510035291 Manila BUSINESS WORLD in English 15 Oct 91 p 12

[Text] The Philippines should build on relations with Sweden in order to expand its ties with the rest of the Nordic states and the newly-independent Baltic Republics, the Department of Foreign Affairs' [DFA] Office of European Affairs urges. The country's only resident mission in Scandinavia is in Stockholm and, as such RP-[Republic of the Philippines]Sweden relations are "pivotal" to diplomatic and commercial overtures to the rest of the area, a memorandum from the DFA's European Office states. With the EFTA [European Free Trade Association] and EC [European Community] countries negotiating a larger European Economic Space, the Philippines needs to establish a firmer toehold, a DFA official said. Among the Europeans, Sweden runs third behind the United Kingdom and the Netherlands in investments in the Philippines, the DFA memorandum pointed out. Total Swedish equity investments last year amounted to P [Philippine pesos] 168.4 million. Sweden also chipped in a $2 million contribution to the Philippine Assistance Program during the pledging session last February, with its assistance accented on forest and environmental management and protection. Philippine envoy Luz del Mundo in a report to the DFA, mentioned that during the presentation of her credentials to the King of Sweden last September, the King expressed interest in Philippine wildlife. The envoy urged him to make a "private visit some time in the future," she said.

Communists Say Military Intensifying Operations

HK1410133291 Manila PHILIPPINE DAILY INQUIRER in English 14 Oct 91 p 10

[By Rita Villadiego]

[Text] Lucena City—Communist guerillas yesterday accused government troops of stepping up operations in Southern Tagalog even after the military declared a unilateral ceasefire on Oct. 10.

In a statement, the National Democratic Front-Southern said military operations are continuing in Catanauan, Gumaca, General Nakar, San Francisco, Mulanay and Sampaloc towns in Quezon, and in Cavinti, Laguna.

Brig. Gen Federico Ruiz Jr., Southern Luzon Command chief, declared a 15-day ceaefire on Oct. 10.

As a sign of good faith, Ruiz also issued safe conduct passes to three top New People's Army [NPA] leaders as he invited them to local peace talks.

The NDF [Natural Democratic Front]-Southern Tagalog said at least 80 families have fled Barangays Malaya, Recto, Magsaysay, all in General Nakar town, and in Barangay Calminoe, Cavinti, following clashes between government troops and NPA guerillas.

In its statement, the NDF-Southern Tagalog said the military should be "more persuasive" in its offer for local peace talks.

Ruiz issued safe conduct passes to Gregorio Rosal, Tirso Alcantara and Hector Mabilangan, all NPA officers in the region.

In an interview with radio station, however, Mabilangan rejected Ruiz's offer for local peace talks, saying it was just "a tactic."

He said local peace talks will not work because insurgency is "a national concern."

He said poverty which is one of the roots of insurgency could not be solved through a local peace process.

Marag Residents Flee Military, NPA Clashes

HK1410131891 Quezon City MALAYA in English 14 Oct 91 pp 1, 2

[By Raul Francia and Jodeal Cadacio]

[Text] Thousands recently fled Marag Valley as the 50th and 41st Army infantry [AI] battalions launched fresh operations in Luna town, Kalinga-Apayao, reports from the Tuguegarao-based Concerned Cagayanos for Justice and Peace [CCJP] said yesterday.

The London-based Amnesty International, meanwhile, expressed concern over alleged mounting human rights violations in the country.

The AI cited reports of salvaging or summary execution and disappearances of members of famers' organizations, and alleged harassment of human rights lawyers.

In Aurora province, four persons, including three suspected members of the New People's Army [NPA], were recently killed and four others were wounded when policemen engaged a band of heavily-armed communist guerillas in Barangay Culat, Casiguran.

The CCJP said Marag residents fled for safety to the surrounding dense forests. At least two more barangays, Kalayukay and Kalabigan, "virtually abandoned by residents following a spate of house burnings by government troops," it said.

CCJP said the operations "would eventually lead to a severe degree of food shortage far worse than the experience derived from Oplan [Operation Plan] Nakilala Salidummay [as published] since food reserves have practically been consumed."

The operation, aimed to weed out the area of New People's Army guerillas, has been going on since last year. More than a hundred people, mostly children, were reported to have died due to food shortage and diseases.

"More human rights violations, particularly death to innocent civilians and destruction of their properties are the most probable consequence of these operations," said Bishop Gabriel Garol, head of the Manila-based Ecumenical Movement for Justice and Peace.

Garol also expressed feras "for the safety of and health of children and the aged in the face of lunger and exposure to elements."

The AI said it recorded "at least twelve cases of disappearances or incommunicado detention in the first nine months of 1991."

"Of these, one victim was subsequently found dead and is believed to have been the victim of extrajudicial execution by members of the security forces," AI said.

It also said at least six human rights lawyers have been killed in the past three yeras "in apparent judicial executions." Three of the victims were members of the Free Legal Assistance Group.

Director General Cesar P. Nazareno, PNP [Philippine National Police] chief, identified the slain rebels only as Ka [Comrade] Rolly, the alleged leader of the NPA band operating in Casiguran, one Ka Jun, and one Ka Angel.

Killed on the government side was PO2 [Police Officer 2] Arturo Fontane of the Casiguran PNP. Senior Inspector Alberto Barraquiel was slightly injured during the 45-minute firefight at sitio Bukit.

Misamis Military Offensive Casualties Updated

HK1710044591 Manila PHILIPPINE DAILY INQUIRER in English 17 Oct 91 pp 1, 10

[By Joey Ybanez]

[Text] Pagadian City—The military's counterinsurgency drive in the Mount Malindang ranges in Don Victoriano, Misamis Occidental, entered its 16th day yesterday with a total of 58 communist rebels reported slain during the offensive.

Military authorities listed 13 government fatalities during the operations dubbed "Oplan Rainbow."

Maj Gen Arturo Enrile, Army chief, told the INQUIRER here "no unnecessary loss of civilian lives" had happened, adding that the military has learned its lesson from Marag Valley.

Recent clashes in marag Valley in Northern Luzon have reportedly resulted in civilian casualties and forced local residents to evacuate to town propers.

The communist-led National Democratic Front [NDF] in Western Mindanao condemned the ongoing military operations in the region, claiming that civilians in the area were affected.

The NDF's statement appeared in the news tabloid Panguil Bay Monitor in Misamis Occidental.

Enrile, however, gave assurances that no civilians will be affected by the military assault in Malindang.

Brig Gen Romeo Padiernos, 101st Army Brigade chief and Oplan Rainbow task force commander, said soldiers have overrun five rebel camps and recovered 17 Claymore land mines during the campaign.

Three soldiers have been killed by similar mines and eight others were wounded.

Padiernos said bombings by helicopter gunships and artillery fire have inflicted heavy rebel casualties.

Soldiers also recovered communist documents from abandoned New People's Army camps in Mount Tianambulig, also in Don Victoriano town.

Padiernos said members of the 55th, 44th and 32nd Army infantry battalions have engaged rebels in a firefight within a nine-square- kilometer area which "is not inhabited by civilians."

He said troop movement has been hampered by land mines and booby traps laid by the rebels in the thickly forested battle site in Tinambulig.

The guerillas, numbering about 160, have broken up into small groups, said Lt Col Alberto Barrera, brigade operations officer.

Thailand

Leaders 'Cautiously' Congratulate Nobel Recipient

BK1610020991 Bangkok THE NATION in English 16 Oct 91 P A6

[Text] Prime Minister Anan Panyarachun and other Thai government leaders cautiously congratulated detained Aung San Suu Kyi for her Nobel Peace Prize, saying the award was only a "personal honour".

Anan, Deputy Prime Minister Phao Sarasin and Foreign Minister Asa Sarasin also argued that the world-acclaimed award would not affect existing Thai relations with the Burmese ruling junta in Rangoon which has been condemned worldwide for its failure to respect the outcome of the 1990 general election and its widespread human rights violations.

"It is such an honour that a citizen of this (Southeast Asian) region has received it (the award)," said Anan after addressing the opening ceremony of the World Bank/IMF meeting.

But he said that his government would not send a congratulatory message to Suu Kyi because she was not a member of the Burmese government. Suu Kyi is the most respected opposition leader in her country placed under house arrest since July 1989.

"She is not representing the Burmese government, I don't think we have to," Anan said.

Foreign Minister Asa said the award was purely the decision of the Nobel Committee and it was a personal honour for her. "She received the honour from the Nobel Peace Committee. It is a personal affair and honour... She is a Burmese and we have no comment at all (on the implications of the award)" he said.

But Deputy Premier Phao said: "We should congratulate her for being given the award. But it has nothing to do with Thailand, which was not involved in the Nobel Prize decision. As she was awarded the prize, it means that she has done something good."

Suu Kyi, daughter of Burma's assassinated independence hero Aung San, was forced by circumstances to become mass leader in the 1988 Burmese popular uprising against the totalitarian military regime, before she was named on Monday as awardee of the 1991 Nobel Peace Prize for her peaceful struggle to restore democracy to Burma.

Burmese Ambasador to Thailand U Nyunt Swe could not say if Suu Kyi would be allowed to travel to Oslo, Norway, to receive the peace award.

"Right now I have no details on this issue."

But he added that the junta State Law and Order Restoration Council (SLORC) has earlier stated that the 46-year-old leader would be freed, if she left the country and rejoined her British husband Michael Aris and their two sons.

Asked if she would be allowed back in her homeland, Nyunt Swe answered: "if she does not create agitation, our government will consider that."

Both Anan and Asa played down the Nobel Peace Prize impact on the current Thai-Burmese relations.

"The two things are not relevant. No, I don't think there will be any impact. It is a domestic affair of Burma," Anan said.

Added Asa: "No, not at all. As long as Thailand is located here, and Burma is there as our neighbouring country, we cannot separate one from another. There will not be any problem at all."

Bertil Lintner, a well-known specialist on Burmese affairs and correspondent for the weekly FAR EASTERN ECONOMIC REVIEW, however, believed that the award would have some effect on the Burmese government.

The effect, he said, would be felt internationally more than domestically because the Burmese government would just get angry and the Burmese people will be too scared to celebrate.

Lintner also predicted that the award would affect the UN debate on Burma scheduled for next month. "It will be more difficult to justify the vote against the resolution on Burma, now that Aung San Suu Kyi is the winner of the peace prize," he said.

Sweden last year intitiated a draft UN resolution on Burma condemning the SLORC for widespread human rights abuses and its refusal to honour the election outcome in which Suu Kyi's National League for Democracy won an overwhelming victory at the polls.

But the Swedish move was foiled when a number of countries with poor records on human rights opposed the resolution, prompting the UN to defer the Burma debate to this year.

Minister To Go Ahead With Trip to Burma 28 Oct

BK1710025191 Bangkok THE NATION in English 17 Oct 91 p A4

[Text] Thailand's agriculture minister vowed yesterday to go ahead with his planned visit to Burma despite renewed international scrutiny of the Burmese junta after the awarding of the Nobel Peace Prize to Aung San Suu Kyi.

Anat Aphaphirom said the Nobel panel's decision would not move Thailand to review its plans to invest in the fisheries and logging industries in Burma. The minister said he would visit Burma as scheduled on Oct 28.

Aung San Suu Kyi, whose National League for Democracy Party [NLDP] won more than 80 percent of the vote in the 1990 polls, has been held incommunicado in Rangoon since July 1989 because of her charismatic leadership of the opposition.

The Burmese junta refused to relinquish power to the NLDP after the elections, leading to an economic boycott and denouncement by the international community. Thailand is one of the few countries still making use of its ties with Rangoon to gain access to the rich natural resources of its neighbour.

Anat postponed a trip to Burma two months ago following strong objections from the Foreign Ministry.

The minister admitted yesterday that the awarding of the prize to Aung San Suu Kyi could be interpreted as the world's refusal to accept the legitimacy of the Saw Maung government.

But he said that interpretation had nothing to do with trade relations between Thailand and Burma, which should be regarded as an internal affair.

Anat said it was unnecessary for Thailand to prepare for international condemnation for continuing its relations with the Burmese military government.

The agriculture minister's opinion was backed up by Gen Itsaraphong Nunphakdi, secretary general of the National Peacekeeping Council, which toppled the elected government in February.

Itsaraphong, also interior minister, said Suu Kyi's winning of the award would not affect relations between Bangkok and Rangoon. "We will still contact the Burmese Government," he said.

The United States, meanwhile, applauded the Nobel committee's selection and called on the Burmese junta to transfer power to the elected civilian government of the NLDP.

The United States Information Service quoted State Department Press Secretary Marlin Fitzwater in Washington as urging Rangoon to release all political prisoners, including Aung San Suu Kyi.

Also yesterday, New Zealand Minister for External Relations and Trade Hon Don McKinnon welcomed the Nobel Peace Prize selection.

"This is welcome news," he said, adding that the award "shows the strength of feeling in the international community about Aung San Suu Kyi's prolonged detention."

"We hope that this evidence of international concern will move the State Law and Order Restoration Council to release Suu Kyi, and to respect the wishes of the Burmese people as expressed in last year's elections," the minister was quoted as saying in a press release by the New Zealand Embassy in Bangkok.

Asa To Expedite Thai-Indochina-PRC Trade

BK1710041291 Bangkok THE NATION in English 17 Oct 91 p B1

[Text] Foreign Minister Asa Sarasin said yesterday that he would expedite the prime minister's initiative to include southern China in the Thai-Indochina trade and investment cooperation programme.

Asa was responding to Premier Anan Panyarachun's announcement of the initiative in his address at the opening of the 46th annual meeting of the World Bank and International Monetary Fund on Tuesday.

Anan spoke of Bangkok's intention to promote cooperation with neighbouring countries, particularly Laos, Vietnam, and Cambodia. For the first time, southern China, which borders the Indochinese states, was mentioned as a component of the regional cooperation programme.

The inclusion of southern China in the programme for Indochina—the first time that a part of China has been included among the gateway countries—suprised a number of participants.

Asa said the inclusion of part of China was due to the high potential it held for trade, industry, and tourism.

The idea developed at several meetings between top authorities of Yunnan Province and Thailand in the past. Even a plan for developing the Mekong River for tourism and transportation between the two countries has evolved.

In particular, Kunming, a city in Yunnan Province sharing cultural and linguistic features with Thailand, has high potential in this regard.

Private Thai Airlines had planned to operate flights between Kunming and Chiang Mai, but this has been delayed due to the lack of airport facilities at Kunming.

The promotion of tourism along the Mekong River will have to involve other countries sharing the river as a common border, including Laos and Cambodia.

The Tourism Authority of Thailand plans to promote river cruises and land transportation between the mainland countries.

Asa said the Foreign Ministry planned to accelerate the cooperation programme. But peace in the region was the priority.

For the first time, in fiscal 1991/92, the ministry has been granted a special budget of Bt [bhat] 200 million to aid other countries. Of the sum, Bt20 million will go to Vietnam to help speed up its development.

Asa said the budget helped enhance the country's role in the development of other economies.

"This will help establish relationships with countries before business comes," said Asa.

Asa said Thailand was encouraging Japan to contribute to Vietnam's development.

The minister did not plan, however, to bring up the issue at the meeting of ASEAN for regional assistance. It should be part of individual country initiative, particularly as ASEAN can benefit from Vietnam when it becomes part of the free trade zone.

Paper Calls for 'Best Common' Defense Strategy

BK1610015991 Bangkok THE NATION in English 16 Oct 91 p A10

[Editorial: "Defence Spending Retards National Development"]

[Text] In this world of finite resources, large-scale military spending always comes at the expense of domestic development. The collapse of the Soviet Union can partly be attributed to the relentless Soviet military buildup during the Cold War. The United States has lost its "cutting edge" in the world market because of lower quality in the American work force; it has money for the arms race but not enough money to invest in improving its public school and welfare systems.

While arms purchases tend to aggravate the indebtedness of most arms importing countries, Israel, Saudi Arabia and Japan—the world's three largest arms importers—are major exceptions. Israel can continue to order more modern arms because the United States is practically subsidizing Israeli military spending. Saudi Arabia and Japan, however, are so wealthy that they can buy the most expensive weapons available on the world market. They will even buy out arms-producing firms in the United States and other Western countries if they are allowed to.

In the Third World, the sad irony is that more money has gone into military spending than into national development. The end of the Cold War in Europe has caught many Third World leaders by surprise. These leaders and their military supporters have long placed advance orders for expensive weapons and are taking delivery of the relatively useless military hardware at a time when Bush and Gorbachev are talking about a race in disarmament and peace-making.

World Bank and IMF executives—whose knowledge of Thailand is derived mostly from skimming through "country reports" and Western newspapers—like to cite Thailand as a one of the latest "success" stories in economic development through export-led industrialization and market liberalization. But in his address at the opening ceremony of the World Bank/IMF Meeting in Bangkok yesterday, Prime Minister Anan Panyarachun cautioned that Thailand could be taken only as a "qualified success" story because the miraculous Thai economic growth during the last decade entailed some negative impacts on Thai society, such as widening income gaps, concentration of prosperity in Bangkok, growing external debts, and environmental degradation.

Another adverse impact that the prime minister didn't mention is the lack of corresponding political development as evidenced by the widespread vote-buying in general elections, massive corruption in government offices, the Feb 23 coup, and the inability of the National Peacekeeping Council [NPKC] to write a democratic constitution. Moreover, the NPKC leaders now demand special increases in military budget allocations because they see the national coffers are full of foreign currency reserves. They think the money "invested" in defence should grow proportionately to the growth rate of the national economy; in other words, the "wealthier" Thailand is, the more its military spending must be because the country has a higher economic stake to protect.

But protecting Thai wealth from whom? (And for that matter, how much of the wealth in this country actually belongs to Thais?) Who is Thailand's potential enemy in this post-Cold War era?

Army Commander Gen [General] Suchinda Khraprayun, who is the real power behind the NPKC, says Vietnam remains a potential threat to Thailand. But will another squadron of F-16 interceptors really make a big difference in the Thai-Vietnamese military equation? We believe not much at all.

However, the Bt [bhat] 13 billion which will go to paying for the F-16s can make a world of difference if it is diverted into supporting school lunch programmes nationwide and subsidizing rural families to encourage them to keep their children in school for another three years, instead of pulling them out after the sixth grade and making them toil for a living.

Prime Minister Anan, we believe, has been courageous in turning down the demands of the top bras for extra military spending money. (But the Air Force will definitely get its second F-16 squadron; the purchase contract may be signed next month.) His main reason is that Thailand has to channel its limited resources into meeting other pressing needs. He is absolutely correct. In this time of peace and superpower disarmament, national development must be given a higher priority than military buildup.

The IMF's show of concern over excessive military spending in the Third World is appropriate and welcome. In fact the IMF and the World Bank should take into consideration the level of military spending, in addition to progress in democratization and respect for human rights, in a developing country applying for financial and technical assistance. Japan, for one, has shown greater interest in these aspects than most other donors and international lending institutions.

If Thailand has enough money to spend on expensive arms, it is fair for outsiders to assume that the country should also have enough to pay for development projects. And thus Thailand deserves less foreign aid than many other developing countries.

The IMF and the World Bank—and better still the United Nations—should also have some say in the international arms trade. Government leaders in the arms exporting countries should know that while their arms industries are making big profits, peoples in the arms-importing countries, especially those in the Third World, are literally paying for the weapons through their noses. Worse still part of the arms goes to keeping the oppressed people at bay while the fancier part goes to appeasing military officers to make them supportive of the ruling elites.

It's about time somebody started blowing the whistle on the wasteful military spending in Thailand and in the rest of the world. Let's channel our limited resources into national development and international cooperation. This is the best common "defence" strategy for the new era, while partisan selfishness remains the largest common enemy of mankind.

Vietnam

Further on Visit by Lao President Kaysone

Welcomed at Hanoi Meeting

BK1610091191 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 13 Oct 91

["Report" on the 13 October mass meeting in Hanoi to welcome the Lao party and government delegation led by Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party and president of the Lao People's Democratic Republic]

[Text] This morning, at the Ba Dinh Conference Hall in Hanoi, the Hanoi municipal party committee and people's committee organized a solemn meeting to welcome Comrade Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and president of the Lao People's Democrtic Republic [LPDR] and his entourage who are paying an official friendship visit to our country.

Attending the meeting were Comrade Do Muoi, general secretary of the party Central Committee; Comrade Vo Chi Cong, advisor to the party Central Committee and chairman of the Council of State; Comrades Nguyen Thi Dinh, Nong Duc Manh, Pham The Duyet, Hong Ha and Nguyen Manh Cam; Lieutenant General Tran Van Quang; and Comrades Ha Quang Du, Le At Hoi, Pham That Quang and Nguyen Xuan.

On the Lao side were Comrade Kaysone Phomvihan and other comrades accompanying him.

Also attending the meeting were many comrade leading officials of party, state, and military organizations; representatives of the various sectors and branches at the central level and in Hanoi; and local and foreign journalists.

At 0900 sharp, the presidium of the meeting moved into the conference hall. The Hanoi teenagers in uniforms, wearing white skull caps and representing Uncle Ho's good nephews and nieces countrywide, saluted and offered bouquets of fresh flowers to Comrade Kaysone Phomvihan and other distinguished Lao guests, and the leaders of our party and state.

After a military band had played the national anthems of the two countries, Comrade Vo Chi Cong delivered an opening speech welcoming Comrade Kaysone Phomvihan and other distinguished Lao guests. He affirmed that Comrade Kaysone Phomvihan's visit this time was a source of great encouragement for the Communist Party of Vietnam [CPV] and the Vietnamese Government and people in their renovation undertaking, and also a great contribution to the consolidation and development of the special relations between Vietnam and Laos in the new situation.

Next, Comrade Pham The Duyet, secretary of the Hanoi municipal party committee, delivered a speech. He said:

[Begin Pham The Duyet recording] For more than fifteen years now under the LPRP's clear-sighted leadership, the Lao people of different ethnic groups have led their war-torn, poor country from one important achievement to another in many fields. In particular, over the past four years and more, thanks to the LPRP's renovative line, which is testified to be correct by realities and is also enthusiastically supported and implemented by people of all walks of life, the fraternal Lao people have achieved very important initial results. The political situation of the nation is stable. Laos's economy has shifted from a natural or semi-natural status to a multi-sectorial commodity status and has begun to yield positive results. Political stability and public order have been firmly maintained. National independence and sovereignty have been safeguarded. The material and spiritual living conditions of people of all walks of life have been stabilized and further improved.

The position and prestige of the Lao state have been further enhanced in the world arena. The LPDR has made a positive, worthy contribution to the political settlement of the Cambodian issue as well as to building Southeast Asia into a region of peace, stability, friendship, and cooperation based on the seven-point goodwill proposal put forth on 25 July 1988.

The above-mentioned achievements are evidence of the LPRP's and LPDR's correct line and clear-sighted leadership and further consolidate the firm belief of the fraternal Lao people of different ethnic groups in their party and government. Those achievements also help sharpen the Lao people's determination to lead the renovation undertaking to new victories.

The Vietnamese people warmly welcome those great achievements of the fraternal Lao people of different ethnic groups and regard them as their own achievements. [applause] [end recording]

After asserting the special solidarity and friendship between the two peoples, which was initiated and strenuously cultivated by President Ho Chi Minh, Comrade Pham The Duyet stressed that, acting in line with President Ho Chi Minh's instructions, the Vietnamese people pledge their determination to do all they can to consolidate the Vietnamese-Lao relations in accordance with the seventh party congress resolution by renovating methods of cooperation and by attaching importance to efficiency on the basis of the principles of equality and respect for each country 's independence, sovereignty, and legitimate interests, as well as with regard to the promotion of peace, stability, cooperation, and development in the region and other parts of the world.

Speaking of the two countries bilateral relations with other countries, Comrade Pham The Duyet asserted: We note with satisfaction that the international relations of our two countries have expanded every day. The relations of Vietnam and Laos with the PRC have been normalized and improved step by step. The friendship and cooperation of our two countries with neighboring ASEAN countries and other Southeast Asian countries are gradually being strengthened and developed on the basis of equality, mutual benefit, and peaceful coexistence. Vietnam and Laos are striving to expand equal and mutually beneficial cooperation with all countries, without distinguishing between differing political and social regimes, in the interest of peace, friendship, and development.

The Vietnamese people have always been grateful to the Soviet people for their great support and assistance to the Vietnamese revolution thus far. We sincerely hope that the Soviet people will soon overcome their difficulties so that they can stabilize their national life and develop their country. We will continue strengthening and developing our relations and cooperation with the Soviet Union.

Dealing with the Cambodian issue, Comrade Pham The Duyet specified: Once again, we assert that we will do our utmost to contribute to an early, overall, fair and reasonable political solution to the Cambodian problem.

Dear comrades: In his reply speech at the meeting, Comrade Kaysone Phomvihan expressed his pleasure at being able to make an official visit this time to Vietnam, the heroic land of Great President Ho Chi Minh. Despite many difficulties and obstacles ahead, and a fast changing complex world situation, the Vietnamese people have overcome, and are overcoming, all of these and have achieved good initial results. He stressed:

[Begin Kaysone Phomvihan recording in Lao fading into Vietnamese] With a correct foreign policy and positive diplomatic activities aimed at building peace, friendship, stability, and cooperation in the region and the world, the SRV has received the sympathy and very generous support and assistance of fraternal and friendly countries. We particularly note with satisfaction that the traditional friendly relations between the Vietnamese and Chinese peoples have seen a fine new development, and that the two countries' cooperative relations in party and state fields are being restored rapidly. This is an important matter that is making great contributions to the defense of the common revolutionary gains and to peace and cooperation in the region and the world as a whole.

We unanimously agree with, and support, the determination of the party and fraternal people of Vietnam to persist in Marxism-Leninism and Ho Chi Minh's thought. At the same time, we warmly welcome the initial achievements made by the party and people of Vietnam in the process of comprehensive renovation. [applause] [end recording]

Speaking of relations between the two countries, Comrade Kaysone Phomvihan recalled the various steps of development over the past half century or more, saying specifically: The special relations of Vietnam-Laos friendship and solidarity were born of objective necessity and based on the strategic broadmindedness and farsightedness of great President Ho Chi Minh, who founded the two parties. These relations, tested through the ordeals of the revolutionary struggle of several generations, have been constantly consolidated and developed to become a priceless legacy. This is one of the decisive factors in the existence and development of our two fraternal nations. The Lao people are very proud of having such loyal and reliable friends and comrades as the Vietnamese people.

Concerning future bilateral relations, Comrade Kaysone stressed: We will continue to consolidate and enhance the special relations of solidarity and comprehensive cooperation between our two countries with a new quality. We will also develop the special relations on the basis of respect for each other's independence and sovereignty, and promote the traditions of solidarity and mutual assistance in the spirit of comradeship, fraternity, equality, and mutual benefit. Cooperation should be with regard to the capability and realistic conditions of each side, and be carried out step by step, laying emphasis on targets and focusing on those programs and areas in which we are strong. We will increase the effectiveness of cooperation according to the new mechanism, and will support and aid each other in order to create an integrated strength to meet the requirements of our national construction and defense.

The latter constitutes a faithful and scrupulous implementation of President Ho Chi Minh's testament in conformity with the resolutions of the Seventh CPV Congress and the Fifth Lao People's Revolutionary Party Congress, which respond to the aspiration of the peoples of the two countries, who have always cultivated the special solidarity that is deeper than the bed of the Red and Mekong rivers and more enduring than the Truong Son Mountain Range.

Dear comrades, at this meeting, on behalf of the party, government, and people of Laos, Comrade Kaysone Phomvihan presented with much emotion his heartfelt sympathy to the people in the flood-hit Mekong delta provinces. In addition, as the representive of the party, government and people of Laos he expressed his profound gratitude to the party, government, and people of Vietnam for their great and disinterested support and assistance, and, at the same time, his boundless gratitude to those Vietnamese families whose members—namely fathers, mothers, husbands, wives and children of international Vietnamese combatants—have died for the independence and freedom of the Lao people.

Concluding his speech, Comrade Kaysone Phomvihan spoke in Vietnamese.

[Begin Kaysone Phomvihan recording] Although the Vietnamese people still face many difficulties ahead, we are firmly convinced that the fraternal Vietnamese people, who have always upheld President Ho Chi Minh's famous statement that nothing is more precious than independence and freedom, will achieve even more glorious and greater victories in the process of comprehensive renovation. They will implement Comrade Do Muoi's statement at the Seventh CPV Congress that our party and people are determined to pursue the unshakable socialist path. This path has been chosen by President Ho Chi Minh, our party, and people. This is the sole and correct path. [applause] [end recording]

Departature Ceremony 14 Oct

BK1410142791 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 14 Oct 91

["Report" on the 14 October departure ceremony in Hanoi for the Lao party and government delegation led by Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party and president of the Lao People's Democratic Republic]

[Summary] "At the invitation of Comrade Do Muoi, general secretary of the party Central Committee; and of Comrade Vo Chi Cong, advisor to the party Central Committee and chairman of the Council of State; Comrade Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and president of the Council of State of the Lao People's Democratic Republic [LPDR], and his entourage paid an official friendship visit to our country from 12 October and successfully concluded it this morning."

A solemn ceremony was held at the Chi Linh Square in Hanoi this morning to say farewell to the fraternal Lao comrades.

"During his two-day visit to Vietnam, Comrade Kaysone Phomvihan held talks with the comrade party and state leaders of our country. Both sides informed each other of the situation in each country as well as regional and international issues of common concern.

"During those talks, both sides reached a unanimity of views on all issues raised. Comrade Do Muoi and Comrade Vo Chi Cong highly valued the achievements of the Lao people and fully supported the LPDR's foreign policy based on peace, independence, friendship, and cooperation with all nations in the world.

"Comrade Kaysone Phomvihan warmly welcomed and highly valued the achievements of the Vietnamese people in the renovation cause as well as Vietnam's open-door policy of desiring to friendship with all nations in the world and of struggling for peace, independence, and development.

"The party and state leaders of Vietnam and Laos expressed satisfaction at the new developments of the relations and comprehensive cooperation between Vietnam and Laos in the past years. They affirmed the determination to make efforts to further consolidate and develop those relations.

"Comrade Do Muoi, Comrade Vo Chi Cong, and Comrade Kaysone Phomvihan welcomed and highly valued the State of Cambodia's national reconciliation policy, goodwill attitude, and efforts aimed at reaching a political solution to the Cambodian issue. They welcomed the recent progress in resolving the Cambodian conflict and affirmed their determination to continue to contribute to the search for an overall fair and rational political solution to the Cambodian problem based on the respect for the Cambodian people's sovereignty and other basic rights and in compliance with the UN Charter.

"While in Vietnam, Comrade Kaysone Phomvihan and his entourage visited a number of economic and cultural facilities in the capital city of Hanoi, and participated in a solemn meeting organized by the Hanoi city party committee and people's committee to welcome the distinguished Lao guests.

"The official friendship visit to Vietnam this time of Comrade Kaysone Phomvihan, the highest-level party and state leader of fraternal Laos, constitutes a source of great encouragement for our communist party, government, and people who are implementing the seventh party congress resolution, and is also a great contribution to the consolidation and development of the special relationship between Vietnam and Laos in the new stage."

The seeing-off ceremony began at 0900 sharp. Representatives of the people of Hanoi gathered at the Chi Linh Square to say farewell to Comrade Kaysone Phomvihan and other distinguished Lao guests.

"Comrade Do Muoi, Comrade Vo Chi Cong, and many comrade leaders of our party, state, and army as well as representatives of the people of Hanoi were on hand to say goodbye to Comrade Kaysone Phomvihan and his entourage.

"Standing on a dais and flanked by Comrade Do Muoi and Comrade Vo Chi Cong, Comrade Kaysone Phomvihan cordially said goodbye to representatives of the people of Hanoi. As soon as the band finished playing the national anthems, the commander of the guards of honor of the Vietnamese People's Army [VPA] invited Comrade Kaysone Phomvihan to review the guards of honor.

"After Comrade Do Muoi, Comrade Vo Chi Cong, and Comrade Kaysone Phomvihan reviewed the guards of honor, Comrade Kaysone Phomvihan, other distinguished Lao guests, and other comrade leaders of our party and state greeted representatives of the people of Hanoi. A group of children presented fresh bouquets to Comrade Kaysone Phomvihan and his entourage.

"In an atmosphere filled with the militant solidarity and special relationship between Vietnam and Laos, Comrade Kaysone Phomvihan and other distinguished Lao guests embraced Comrade Do Muoi, Comrade Vo Chi Cong, and other comrade leaders of our party and state and bade them goodbye."

Joint Communique Released

BK1610040791 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 14 Oct 91

[Joint communique on the official friendship visit to the SRV of Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party and president of the Lao People's Democratic Republic, issued in Hanoi on 14 October—read by announcer]

[Text] 1. At the invitation of Comrade Do Muoi, general secretary of the Central Committee of the Communist Party of Vietnam [CPV], and Comrade Vo Chi Cong, chairman of the Council of State of the SRV and adviser to the CPV Central Committee, Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and president of the Lao People's Democratic Republic [LPDR] paid an official friendship visit to the SRV from 12 to 14 October 1991. President Kaysone Phomvihan met and held talks with General Secretary Do Muoi and Chairman Vo Chi Cong in an atmosphere of frankness, cordiality, and profound friendship. During the talks, each side informed the other about developments in their country and party, and exchanged views on strengthening and developing the special relations of friendship, solidarity, and comprehensive cooperation between Laos and Vietnam and on international and regional issues of common concern. During the visit to the SRV, President Kaysone Phomvihan paid a floral tribute to President Ho Chi Minh at his mausoleum, attended a mass meeting organized by the people of all strata in Hanoi to welcome his visit, and visited a number of economic and cultural bases. The president was accorded a warm and cordial reception by cadres and Vietnamese people wherever he visited.

2. President Kaysone Phomvihan, General Secretary Do Muoi, and Chairman Vo Chi Cong expressed their great pleasure that the two parties and peoples of Laos and Vietnam always ceaselessly treasure and strengthen their traditional special relations and support and help each other in their struggle for national independence and in national construction and defense for the interest of the peoples in our two countries.

3. In recent years, the special relations of friendship and solidarity between the two parties, states, and peoples of Laos and Vietnam have been consolidated and strengthened every passing day. The pattern and method of bilateral cooperation has been restructured step by step with an aim of heightening its efficiency in conformity with each country's potentials on the basis of respect for each other's independence and sovereignty, equality, and mutual interest and fraternal and comradely assistance.

Both sides affirmed the determination of the two parties and peoples to strive to preserve and foster the special relations of friendship and solidarity between Laos and Vietnam so they can flourish ever more intensively in accordance with the aforementioned methods and principles which conform with the line of restructuring pursued by the two parties and countries and the basic and long-term interests of the peoples in each country.

4. On behalf of the party, the state and the people of Vietnam General Secretary Do Muoi and State Council Chairman Vo Chi Cong highly appraised the multifaceted achievements scored by the fraternal Lao people in building a steadfast people's democratic system under the leadership of the LPRP on the basis of uniting the people of all strata and tribes, in developing step by step the multisectorial comodity economy, achieving social justice, improving the people's living conditions and firmly maintaining security and social order.

General Secretary Do Muoi and Chairman Vo Chi Cong sincerely wish the Lao people many new victories in implementing the Fifth LPRP Congress resolution, continually advancing the renovation process, and building a peaceful, independent, democratic, unified and prosperous Laos with ever higher international prestige and position.

President Kaysone Phomvihan praised the initial yet very important achievements accomplished by the Vietnamese people during their implementation of the line of comprehensive renewal set forth by the CPV with the aim of gradually stabilizing the socioeconomic situation, improving the people's livelihood, and developing the country along the socialist path suitable to the conditions of Vietnam. The president sincerely wished the fraternal Vietnamese people greater successes in implementing the resolution of the Seventh CPV Congress so as to build a prosperous and strong Vietnam thus making worthy contribution to the common cause of the world people for peace, national independence, democracy, and social progress.

5. Both sides are of the view that given the swift and complex changes in the international situation at present, it is necessary for the joint efforts of the forces of peace, national independence, democracy, and social progress to be directed at establishing wholesome and equitable international relations. These forces should also direct their energies toward rationally solving those residual and newly-arising problems through negotiations on the basis of respect for the sovereignty of nations, and opposition to all political, military, or economic pressure against and interferences in the internal affairs of nations. All nations should achieve cooperation on an equal, voluntary, mutually-respectful and mutually-beneficial basis for the sake of the common cause of peace and development.

In this spirit, the Vietnamese leaders highly appraised and expressed total support for the LPDR'S foreign policy of peace, independence, friendship, and cooperation with all countries.

President Kaysone Phomvihan highly appraised and totally supported Vietnam's open-door foreign policy aimed at befriending all nations in the world community and thereby contributing to the cause of peace, national independence, democracy and social progress of the world people.

6. The leaders of the two parties and states highly valued those results already achieved by the two countries in normalizing their relations with the PRC.

The two sides affirmed their continued efforts to develop their relations of friendship and cooperation with the Soviet Union.

The two sides expressed their determination to strive to develop their good-neighborly relations with ASEAN countries in order to contribute to building Southeast Asia into a zone of peace, stability, friendship, and cooperation, and to maintain and develop all equitable and mutually beneficial relations of friendship with other nations in the world.

7. The two sides welcomed and highly appraised the policy of national reconciliation, the goodwill attitude, and the efforts of the State of Cambodia as well as those efforts of those countries and parties concerned which are aimed at reaching a political solution to the Cambodian issue.

The two sides affirmed that they would strive to continue to do their utmost to contribute to achieving at an early day a fair, reasonable, and comprehensive political solution to the Cambodian issue on the basis of respect for the sovereignty and other fundamental rights of the Cambodian people and for the UN Charter. They pledged to do so in order to proceed toward building an independent, peaceful, free, democratic, and neutral Cambodia which, with social progress, should have friendly relations with all nations, especially with its neighboring countries. This is to meet the aspirations and interests of the Cambodian people in conformity with the interests of peace, stability, and cooperation in Southeast Asia and the world.

8. Chairman Kaysone Phomvihan expressed his sincere and profound gratitude to the warm welcome and the sincere and heartfelt sentiments given by the Vietnamese party, state and people of various strata to him during his visit to Vietnam this time, regarding this as a vivid manifestation of the special Vietnamese-Lao relations of friendship and solidarity in the new stage.

9. Chairman Kaysone Phomvihan invited Comrade Do Muoi, general secretary of the CPV Central Committee; and Comrade Vo Chi Cong, chairman of the Council of State of the SRV; to pay an official friendship visit to the LPDR. Comrade Do Muoi and Comrade Vo Chi Cong accepted this invitation with pleasure. The timing for the visit will be arranged later through diplomatic channels.

Hanoi 14 October 1991

Results of Lao President Kaysone's Visit Noted

BK1410113891 Hanoi Voice of Vietnam in English 1000 GMT 14 Oct 91

[Radio commentary]

[Text] General Secretary of the Lao's People Revolutionary Party [LPRP] and President of Laos Kaysone Phomvihan left Hanoi on Monday, concluding his official friendship visit to Vietnam.

The visit helped consolidate and develop the friendship and solidarity between the two countries. On this issue, our radio comments:

In recent months, state leaders of various countries have visited Vietnam but the trip of the Lao leader was highly valued by both sides.

At the invitation of the Vietnamese party general secretary and the president of the State Council of Vietnam, Mr. Kaysone Phomvihan paid a working visit to Vietnam from October 12-14. On this occasion, the top leaders of Vietnam and Laos reaffirmed the determination to continue consolidating and developing the Vietnam-Laos special relationship and comprehensive cooperation. The Lao leader also reaffirmed Laos's support for Vietnam's open-door policy desiring to befriend with all nations throughout the world.

The two sides expressed satisfaction at the developments of the relations between Vietnam and Laos with all nations in the region and the rest of the world. These commitments are of special significance while the world situation is changing drastically. They prove the unchanged relationship between Vietnam and Laos despite numerous great trials.

Vietnam highly appreciated Mr. Kaysone Phomvihan's visit to Vietnam this time and considered the summit between leaders of the two contries in Hanoi a mark of a new development in Vietnam-Laos relations. This will help promote the traditional relationship and increase the efficiency of bilateral cooperation. The Vietnam-Laos friendship will certainly be further consolidated and developed.

Commentary on Improved Ties With World Community

BK1610141391 Hanoi Voice of Vietnam in English 1000 GMT 16 Oct 91

[Station commentary]

[Text] Implementing the foreign policy of peace, equality, and mutual benefit with all countries of different political and social systems on the basis of the principle of peaceful coexistence and friendly to all countries in the world community, Vietnam has been trying to improve her ties with the outside world. The traditional relations between Vietnam and its two neighbors, namely Cambodia and Laos, have been constantly consolidated and strengthened, as evidenced by the just-concluded visit to Vietnam by Lao party and state leader Kaysone Phomvihan.

Vietnam has maintained relations with the Soviet Union, Cuba, Eastern European countries, and the nonaligned countries. Vietnam and the Soviet Union have continued to carry out cooperation programs. According to the Soviet News Agency TASS, since 1987 Vietnam has licensed 25 cooperation projects with its Soviet trade partner with the total invested capital of more than 80 million U.S. dollars. The Joint Soviet-Vietnam Oil and Gas Venture set up 10 years ago has been operating with the prescribed capital of 1.5 million U.S. dollars.

In particular, Vietnam's relations with the ASEAN have been developing fine, particularly in the economic field. The ASEAN have been among the major investors in Vietnam. Thailand, for instance, has invested 36.8 million U.S. dollars in 18 projects. Singapore has invested 17.7 million U.S. dollars in Vietnam. For their part, the Philippines invested 6.9 million U.S. dollars, and Indonesia 13.8 million U.S. dollars. With the visit by Vietnamese Prime Minister Vo Van Kiet to Thailand, Singapore, and Indonesia now in view, the prospect of Vietnam's relations with the ASEAN countries is bright.

Vietnam's relations with Japan have recently marked by the visit to Vietnam by the Japanese Foreign Minister, which further indicated the development of bilateral ties in political, economic, and cultural fields. At present, Japan is Vietnam's biggest trade partner and last year two-way trade between Vietnam and Japan was estimated at five billion Francs. Also last year, Japanese investment in Vietnam was estimated at 19 million U.S. dollars. Recently Japan and Vietnam have signed an agreement on cultural exchanges between the two countries and set up an association for cultural promotion between the two capitals and other major cities of the two countries. Cultural activities are expected to be a bridge of friendship between the two nations.

Vietnam has set up diplomatic relations with the European Community and exchanged ambassadors with this organization. Vietnam and the European Community have developed ties in economic, scientific, and technological fields. As well as helping Vietnam implement 75 micro projects in Vietnam, EC has assisted Vietnam with tens of millions of U.S. dollars. In implementing program on repatriation of Vietnamese boat people from Hong Kong, since 1976 EC has provided urgent relief aid to Vietnam to overcome natural calamity or other problems. Recently, the Australian Government has decided to review direct aid to Vietnam.

While the U.S. Government continues its trade embargo against Vietnam, other Western countries have sought ways to do business with Vietnam. France is taking the lead in this undertaking, including the cultural and humanitarian aspects. Reports said France is arranging a meeting to discuss the resumption of loans to Vietnam. The International Monetary Funds' Director said: We hope to provide aid to Vietnam the sooner the better.

It is also interesting to note the process of normalizing Sino-Vietnamese relations which was marked recently by the visit to China by Vietnamese Foreign Minister Nguyen Manh Cam. The forthcoming Sino-Vietnamese high-level talks will be a turning point in bilateral ties.

The development of Vietnam's relations with the world community will surely create favorable conditions for Vietnam's peaceful national building. This conforms to the common trend for peace, cooperation, and development.

The magazine ASIA WEEK was right in its recent remark that foreign investors are optimistic about Vietnam's future.

Australia

Treasurer's Remark on Recession Contradicts Hawke

BK1710062891 Melbourne Radio Australia in English 0100 GMT 17 Oct 91

[Text] Australia's federal treasurer, John Kerin, has described the country's current recession as the worst in 60 years. Political correspondent Graeme Weld reports from Canberra the comment contradicts assertions made by the prime minister, Bob Hawke, earlier this year.

[Begin Weld recording] Mr. Kerin, speaking in Bangkok yesterday, told the International Monetary Fund meeting that Australia had experienced its most severe recession in 60 years. It is a claim the opposition has made repeatedly.

Mr. Hawke denied it point blank in May. Facing a censure motion then over his handling of the economy, he told Parliament the recession in 1982-83 was the worst since 1930. [end recording]

Fiji

Union Describes ROK, Taiwan Export Scam

BK1710080691 Hong Kong AFP in English 0804 GMT 17 Oct 91

[Text] Suva, Oct 17 (AFP)—Fiji is being used as a transit centre for Asian-made garments entering major markets under Fijian preferential access rules, a union claimed here Thursday.

The Fiji Association of Garment Workers said it has evidence garments are being imported by Fiji-based manufacturers from South Korea, Taiwan and Malaysia, relabelled in Fiji and then sold overseas under Fiji's preferential access.

In most cases, the only part of the ready-made garments actually made in Fiji is the label that says "made in Fiji," the association says.

"Some of these garments come in already finished and they are re-exported without any value added," one official said.

Association secretary Siteri Tuilovoni told AFP it is a big trade "and we know it is happening."

The claims appear to confirm suspicions of a visiting New Zealand customs team about Fiji being used as a transit point for Asian garments into New Zealand.

A New Zealand team has been investigating whether the rules of origin criteria are being met by Fiji producers.

Fiji enjoys easy entry for selected manufactured goods like garments into New Zealand, Australia, the United States and the European Community under various agreements and conventions which grant developing nation status to some countries.

It is not known whether it is the Asian or local manufacturers who are engaged in the garment racket.

Fiji has attracted dozens of Asian garment producers since the 1988 introduction of tax-free schemes which promise tax holidays.

The claims are however disputed by Padam Lala, president of Fiji Garment Manufacturers Association who said the New Zealand customs could easily verify what was being imported by checking Fijian customs records.

"The customs have all the information of what's coming in," he said.

The government Fiji Trade and Investment Board, which grants special concessions like 13-year tax holiday to investors in manufacturing industries, said it would have "no mercy" on manufacturers found breaching the laws.

Fiji's garment trade has been the fastest growing manufacturing industry here since the 1987 military coup, which prompted the government to adopt a tax-free zone scheme.

Last year the trade was employing nearly 10,000 workers and selling 170 million Fijian dollars (114 million U.S.) in exports.

New Zealand absorbs 46 percent, the United States 24, Australia 22 and Britain two percent.

"A lot of work is being done in the European and Canadian markets and I am quite confident we will be in them from 1992," said Lala.

Delhi Radio Reports Attack on Hindu Temple

BK1610113291 Delhi All India Radio Network in English 0830 GMT 16 Oct 91

[Text] In Fiji, another major Hindu temple has come under attack from religious fundamentalists. They firebombed the temple in (Tamagua), about three km from the capital Suva on Saturday last [12 October]. Hindu scriptures and religious books were piled up in the center of the temple before they were set on fire. Two other Hindu temples in the capital Suva were attacked last month. No one has yet been arrested so far in this connection. Indian religious and cultural organizations in Fiji have condemned the attack.

New Zealand

Lange Terms Policy on U.S. Ships 'Spineless'

BK1610145491 Hong Kong AFP in English 1437 GMT 16 Oct 91

[Text] Wellington, Oct 16 (AFP)—Former Labour Prime Minister David Lange slammed the ruling National Party here Wednesday for being in a "whiteman's club" time warp.

Speaking in a parliamentary debate on the government's apparent moves to allow U.S. warships back into New

Zealand ports. Lange described the ruling party's approach to foreign policy as "invertebrate, spineless" and "totally shabby."

"One of the problems of this government is that it is in a time warp of the whiteman's club," Lange said.

"It is appalled at the idea of New Zealand being reduced, as the minister of defence says, to watching exercises along with Papua New Guinea or being regarded as a South Pacific Forum country."

He said Prime Minister Jim Bolger had been politically seduced during his meeting in September with U.S. President George Bush in New York.

"I know the pressures the prime minister was under when he went to that meeting in New York because exactly the same seduction was made to me," he said, adding that the meeting with Bush had been carefully orchestrated by the Americans.

"There were no media present. There was one photograph taken and they wouldn't give it to the prime minister because that means that the entire reward would be there.

"You don't set out to train a dog to do tricks and give him the final feed after he's learnt the first one. It's a gradual process," Lange said.

Government, Economists on Deepening Recession

BK1710082291 Hong Kong AFP in English 0744 GMT 17 Oct 91

[By Michael Field]

[Text] Wellington, Oct 17 (AFP)—As two more grim key economic indicators confirmed Thursday that New Zealand was in a deep recession Cabinet ministers tried to persuade the public things were not as bad as they looked.

Figures Thursday showed the gross domestic product (GDP) was continuing to contract with unemployment still rising.

Finance Minister Ruth Richardson claimed New Zealanders were in a "negative mood" despite the "spectacular success" of her policies. Labour Minister Bill Birch said he was pleased with the "negligible increase" in unemployment, even though it was at a 50-year high.

Statistics Department figures Thursday showed GDP fell one percent in the June quarter, the sixth successive quarter of decline. The department said its index for GDP in constant prices showed economic activity in the June quarter was at its lowest level since March 1986.

Economic activity during the year to June was on average two percent below the previous year. This was the biggest contraction in the economy on an annual basis since 1977-78, when the quarterly GDP index was first calculated.

A 5.2 percent drop in manufacturing output was the main reason for the GDP's one percent fall in the June quarter.

Meanwhile the Labour Department said Thursday a total of 198,370 people or 14.79 percent of the labour force were unemployed last month, an increase of 83 over the August total.

Birch described the rise as "negligible" but was cautious about "drawing too optimistic a conclusion from it. While the signs of growth are there in the economy, in low inflation, low interest rates and higher export earnings, the government accepts that turning around that unemployment figure is a tough job," he said.

The figures followed Tuesday's announcement that inflation for the year to September had hit a record low of 2.2 percent. Richardson claimed this was a sign the government could transform the gloom.

"Most countries in the world with this sort of inflation and interest rate result would regard it as real cause for celebration, but New Zealand is in a negative mood and I am confident we are going to shift that mood," she said.

But one leading economist, Brian Easton, said the contraction in the economy was a result of the government last December slashing welfare payments by two billion New Zealand dollars (1.1 billion U.S. dollars).

"The effect of that was that people had two billion dollars less to spend, so producers could not produce that two billion dollars of output so they laid off people. As a result of that the economy contracted," he said.

He said with so many bad indicators the government would have to accept they had "hit the economy too hard."

The New Zealand Institute of Economic Research's quarterly survey of business confidence released Thursday showed manufacturing production is at its lowest levels of capacity since the depression of the 1930s.

The private group said on average, manufacturers and builders could raise production by 17 percent without rising costs, indicating a huge level of slack in the economy.

Solomon Islands

Police Chief on Drug Money Laundering Practices

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[Text] The Solomon Islands Police Commissioner says the laundering of drug money is an established practice in the country and is tolerated by politicians. Commissioner (Fred Suawaki) told a news conference of South Pacific police chiefs in Wellington that the launderers were mainly Australians and Chinese.

He said he disapproved of foreigners funded by drug money establishing themselves in Solomon Islands, but the country's politicians treated them as a source of development cash.

Commissioner (Suawaki) said the money brought in by the launderers could be channeled to build roads and schools and this appealed to politicians. He said there were also signs of organized Asian crime syndicates such as Triads operating in Solomon Islands.